

Saskatchewan Liquor and Gaming Authority



Annual Report for 2014-15

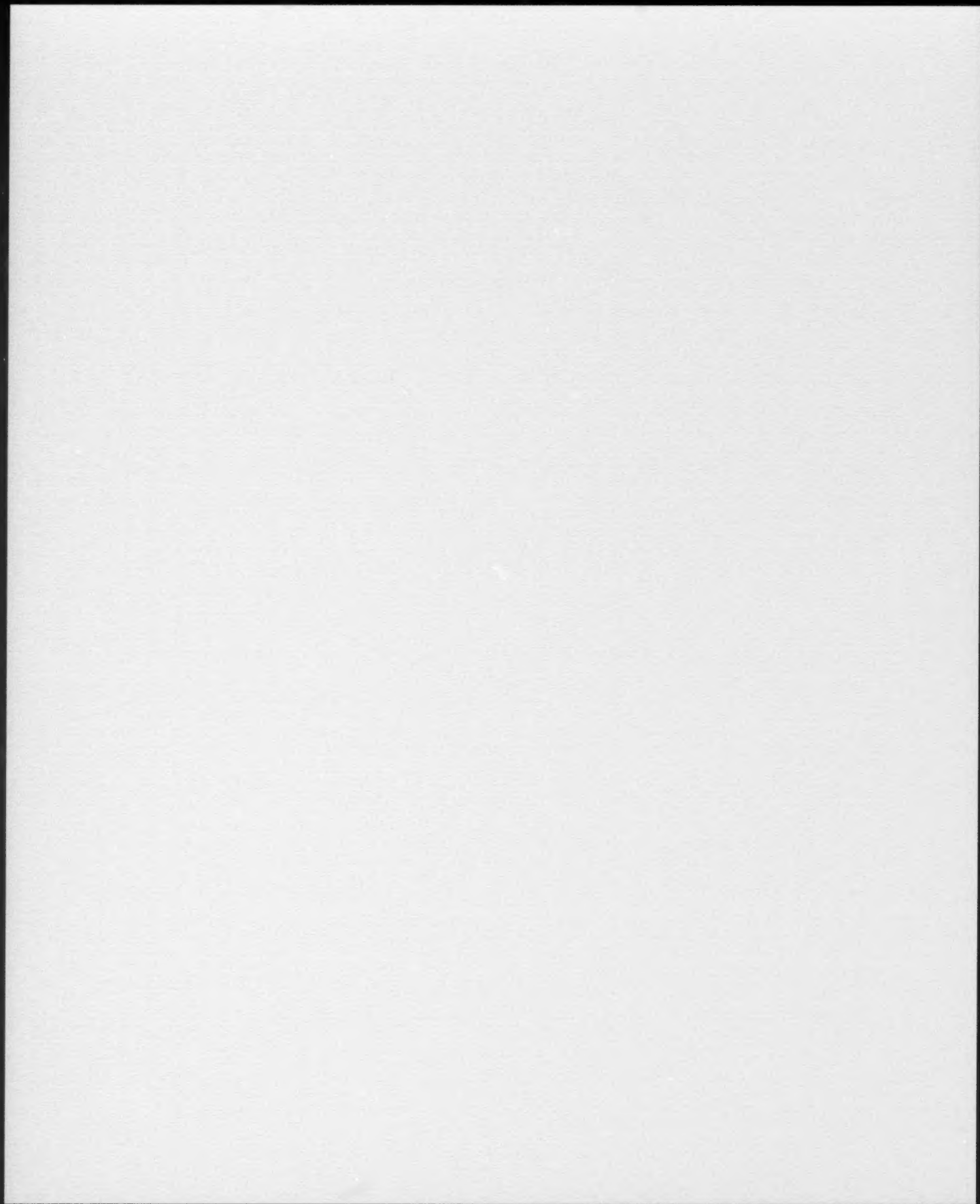
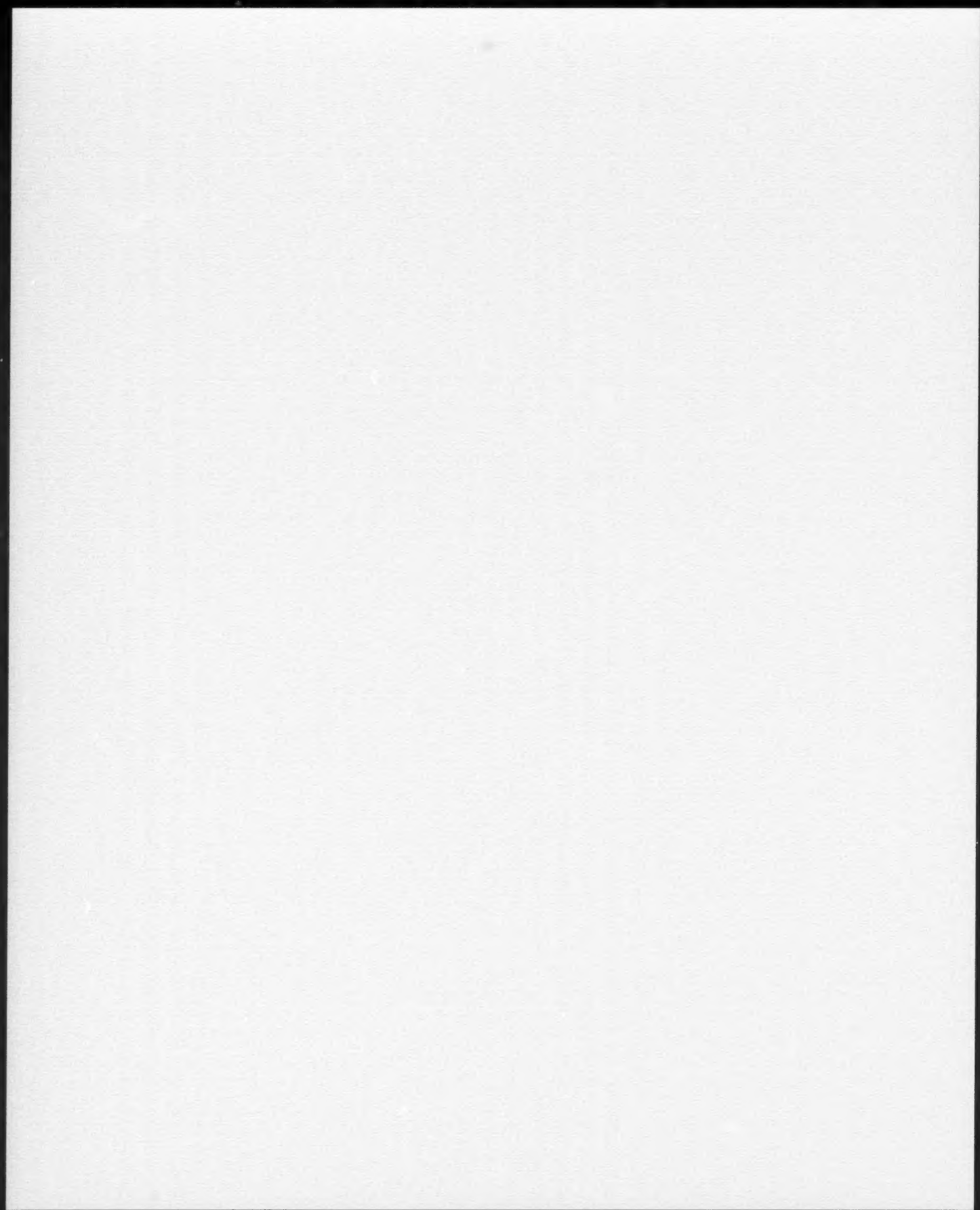


Table of Contents

Letters of Transmittal	1
Introduction	2
Overview	3
Progress in 2014-15	4
2014-15 Financial Overview	12
2014-15 Audited Financial Results	13
For More Information	44
Appendices	45
Appendix A SLGA Organizational Chart	45
Appendix B Partners and Stakeholders	46
Appendix C Volume of Sales	48
Appendix D Per Capita Sales	49
Appendix E Saskatchewan Liquor and Gaming Licensing Commission	50
Appendix F 2014-15 Results at a Glance	51



Letters of Transmittal



The Honourable
Don McMorris
Minister Responsible for
the Saskatchewan Liquor
and Gaming Authority

Her Honour, the Honourable Vaughn Solomon Schofield,
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the annual report of the Saskatchewan Liquor and Gaming Authority (SLGA) for the fiscal year ending March 31, 2015. This report includes the financial statements in the form required by Treasury Board and in accordance with *The Alcohol and Gaming Regulation Act, 1997*.

The Government of Saskatchewan is committed to increased accountability, to honouring its commitments, and to managing expenditures responsibly on behalf of Saskatchewan people. The Annual Report measures progress against the commitments outlined in SLGA's 2014-15 Plan.

The 2014-15 financial statements show a total comprehensive income of \$488.0 million. SLGA will continue to deliver on Government's commitments to the people of Saskatchewan and be a positive contributor to the growth and prosperity of the province in the years ahead.

Don McMorris
Minister Responsible for the Saskatchewan Liquor and Gaming Authority



Barry C. Lacey
President & CEO
Saskatchewan Liquor and
Gaming Authority

The Honourable Don McMorris
Minister Responsible for the Saskatchewan Liquor and Gaming Authority

I have the honour of submitting the annual report of the Saskatchewan Liquor and Gaming Authority for the fiscal year ending March 31, 2015.

On behalf of SLGA, I acknowledge responsibility for this report and am pleased to provide assurances on the accuracy, completeness and reliability of the information contained within it. I also acknowledge responsibility for the financial administration and management control of SLGA.

This annual report highlights SLGA's many achievements in 2014-15 and reflects another successful year for the organization.

Barry C. Lacey, CPA, CA, CMA
President & CEO
Saskatchewan Liquor and Gaming Authority

Introduction

This annual report for the Saskatchewan Liquor and Gaming Authority (SLGA) presents SLGA's results on activities and outcomes for the fiscal year ending March 31, 2015. It reports to the public and elected officials on public commitments made and other key accomplishments of SLGA.

Results are provided on publicly committed strategies, actions and performance measures identified in the 2014-15 Plan. The report also demonstrates progress made on Government commitments in the *Government Direction for 2014-15: Steady Growth, the Saskatchewan Plan for Growth – Vision 2020 and Beyond*, throne speeches and other commitments and activities of SLGA.

The annual report demonstrates SLGA's commitment to effective public performance reporting, transparency and accountability to the public.

Alignment with Government's Direction

The SLGA's activities in 2014-15 align with Government's vision and four goals:

Our Government's Vision

A strong and growing Saskatchewan, the best place in Canada - to live, to work, to start a business, to get an education, to raise a family and to build a life.

Government's Goals

- Sustaining growth and opportunities for Saskatchewan people.
- Meeting the challenges of growth.
- Securing a better quality of life for Saskatchewan people.
- Delivering responsive and responsible government.

Together, all ministries and agencies support the achievement of Government's four goals and work towards a secure and prosperous Saskatchewan.

Overview

SLGA's Mission Statement

We serve Saskatchewan people with excellence, contributing to economic growth through the socially responsible distribution and regulation of liquor and gaming products, directly and with our partners.

The Saskatchewan Liquor and Gaming Authority (SLGA) is a Treasury Board Crown Corporation. As part of its core line of business SLGA is responsible for the distribution and regulation of liquor and gaming products across the province. SLGA achieves its mandate through socially responsible, fair and cost-effective services at offices in Regina and Saskatoon, a liquor distribution centre in Regina and a network of 75 liquor stores in 60 communities throughout the province. SLGA partners with 187 franchises throughout the province. SLGA also partners with four full-line private stores; two in Saskatoon opened during 2014 -15 and two in Regina will be operational in 2015. SLGA continues to partner with approximately 449 off-sale outlets in Saskatchewan. In addition, SLGA regulates all liquor-permitted premises in the province.

SLGA directly manages the majority of the province's electronic gaming machines, including the province's network of video lottery terminals (VLTs) and the slot machines at First Nations casinos. SLGA also plays an important role in regulating the province's eight casinos including six First Nations casinos operated by the Saskatchewan Indian Gaming Authority (SIGA) and two casinos operated by SaskGaming. Most other forms of gaming are licensed and regulated by SLGA including bingos, raffles, breakopen tickets, Texas Hold'em poker and Monte Carlo events, as well as the provincial horse racing industry.

As of March 31, 2015, SLGA employed 944 staff throughout the province. The majority are part-time staff who work in SLGA stores.

SLGA operates under *The Alcohol and Gaming Regulation Act, 1997* with several partners and stakeholders as shown in Appendix B.

SLGA has five divisions:

- The Liquor Store Operations Division manages and oversees SLGA's 75 liquor stores in 60 communities across Saskatchewan.
- The Partnerships and Supply Management Division manages SLGA's liquor and gaming partnerships and is responsible for service excellence across the organization. The division manages liquor pricing and procurement processes including transportation, product listings, customs and excise, marketing and merchandising, special orders and the distribution centre. In addition, the division has oversight of SIGA operations and manages the province's VLT program.
- The Regulatory Services Division is responsible for the licensing, inspection and monitoring of liquor and most gaming activities in the province. The division manages the charitable gaming grant program, is responsible for horse racing and provides community information and education seminars.
- The Corporate Services Division is responsible for policy and legislation, privacy/Freedom of Information, social responsibility, information technology, internal audit services, human resources, payroll, organizational development and employee health and safety.
- The Performance Management Division is responsible for financial services, strategic planning and reporting, performance management, risk management, enterprise project management, program review, organizational change management and business improvement.

Progress in 2014-15

Government Goal: Sustaining Growth and Opportunities for Saskatchewan People

STRATEGY - SUPPORT ECONOMIC GROWTH IN LIQUOR AND GAMING INDUSTRIES AND ASSOCIATED SECTORS

Key Actions & Results

- SLGA is on schedule to open a new Distribution Centre in 2015-16. The new facility will help meet growing volumes, provide Saskatchewan people with increased product selection and improve efficiencies and customer service.
- As part of the public-private liquor retail model, two full-line private liquor stores are open in Saskatoon. Two full-line private liquor stores will open in Regina in 2015. The addition of these four private liquor stores will address capacity issues in underserved markets associated with increased growth in provincial demand.
- To sustain revenue from electronic gaming and meet demand at peak times, SIGA added 125 electronic gaming machines to its casino floors. The new machines have increased play resulting in better than expected revenues.
- SLGA continued to support the charitable gaming industry in 2014-15 through the distribution of \$7.8 million in gaming grants to charities across the province. The program issues grant payments equal to 25 per cent of the net revenue generated through licensed charitable gaming activities up to a maximum of \$100,000 per year per organization.

Performance Measure & Results

Liquor Sales

The dollar value of liquor sales has grown steadily during the past five years. This growth has been driven by a combination of new product introduction, volume and supplier price

increases along with changing consumer preferences towards specialty and higher priced products. Saskatchewan's growing population and strong economy also contributed to growth in this sector. In 2014-15, wine sales grew significantly, followed closely in growth by refreshment beverage sales. Beer and spirits sales remained relatively stable from the previous year.

Liquor Sales				
2010-11	2011-12	2012-13	2013-14	2014-15
\$550.5 M	\$571.8 M	\$592.3 M	\$612.0 M	\$622.4 M

Source: SLGA

VLT Revenue and Site Commission

The number of VLTs in the province is capped at 4,000 machines. SLGA owns all of the VLT machines and contracts with the Western Canada Lottery Corporation (WCLC) to operate and maintain its VLTs. Gross VLT revenue reflects the amount of VLT activity prior to payment of operating expenses and commission. SLGA supports local businesses through a 15 per cent VLT site commission paid to liquor-permitted establishments that host VLTs.

SLGA completed a replacement of the province's VLT machines at the beginning of 2013-14 leading to a continued increase in VLT revenue and site commissions in 2014-15. As a result, VLT net income was \$6.1 million above what was budgeted.

Fiscal Year	Gross VLT Revenue	VLT Site Commission
2014-15	\$245.9 M	\$36.9 M
2013-14	\$239.1 M	\$35.9 M
2012-13	\$223.2 M	\$33.9 M
2011-12	\$226.4 M	\$34.4 M
2010-11	\$223.3 M	\$33.9 M

Source: SLGA

Government Goal: Delivering Responsive and Responsible Government

REDUCE ADVERSE CONSEQUENCES OF LIQUOR AND GAMING PRODUCTS THROUGH SOCIALLY RESPONSIBLE SALES AND DISTRIBUTION

Key Actions & Results

- SLGA continues to actively participate on the Interprovincial Lottery Corporation's Responsible Gaming Sub-Committee. The group works on issues of national interest. In 2014-15, implementation of a three-minute responsible gambling video tutorial onto remaining VLTs was completed.
- SLGA continues to collaborate with Saskatchewan based organizations on the development of responsible gaming initiatives.
- SLGA continues to partner with Saskatchewan Government Insurance (SGI), government organizations, national groups and industry stakeholders to deliver provincial responsible use campaigns.
 - o SLGA continues to provide Mothers Against Drunk Driving (MADD) with funding for the delivery of its School Assembly Program to raise awareness of the consequences of drinking and driving.
 - o SLGA continues to create awareness and generate revenue to fund local MADD and Students Against Drinking and Driving (SADD) activities through MADD's Automated Teller Machines (ATMs) in select SLGA liquor stores in Regina and Saskatoon.
 - o SLGA, SGI, MADD, SADD and law enforcement agencies continue to support the Report Impaired Drivers (RID) program.
 - o SLGA continues to partner with SGI to promote Ding in the New Year in Regina, Saskatoon, Moose Jaw and Prince Albert.

- SLGA issued a request for proposal for the development of internal training for the responsible use of beverage alcohol and gaming. The development of the training is expected to occur in 2015-16.

Performance Measure & Results

Regulatory Services Measures

SLGA's regulatory framework supports the socially responsible sale and distribution of liquor and gaming products and services. In 2014-15, SLGA issued 1,914 commercial liquor permits, 15,248 special occasion permits and 4,186 charitable gaming licences.

SLGA administers and enforces the laws and regulations pertaining to the province's liquor and gaming sectors. SLGA registers all gaming employees in the province, as well as industry suppliers. In 2014-15, SLGA registered 3,369 gaming employees and 94 suppliers.

SLGA works in collaboration with law enforcement authorities and other regulatory agencies to ensure greater effectiveness and efficiency in monitoring both liquor and gaming activities throughout the province. SLGA also conducts comprehensive site inspections and investigates complaints. In 2014-15, SLGA imposed 264 sanctions including 68 liquor-related sanctions, 173 charitable gaming-related sanctions and 23 horse racing sanctions. Sanctions include warnings, suspensions and fines.

All of these functions are designed to ensure the integrity of the liquor and gaming sectors in the province within a legal framework that is both fair and responsible.

SUPPORT AND STRENGTHEN COLLABORATION BETWEEN SLGA AND ITS LIQUOR AND GAMING PARTNERS

Key Actions & Results

- SLGA works collaboratively with SIGA to fulfill commitments under the Casino Operating Agreement. In 2014-15, this work included a decision to provide an additional 125 slot machines to SIGA.
- An independent evaluation of the Indigenous Gaming Regulators (IGR) concluded in 2014-15 to allow transition of on-reserve gaming registration responsibilities to IGR to proceed. Formalization of the agreement and finalization of regulatory amendments are expected in early 2015-16.
- SLGA continues to work closely with its partners to ensure successful integration of the full-line private liquor stores in Saskatoon and Regina. By working together with its partners, SLGA helps to ensure joint benefit can be realized from the synergies created through cooperative and collaborative relationships.
- SLGA continues to work towards developing a new online ordering process that will be part of its new wholesale delivery model. The new delivery model will redirect large wholesale purchases from SLGA stores to the distribution centre. In 2014-15, SLGA engaged franchises to develop an online ordering portal. Engagement took place through surveys distributed in January and a focus group session in February.

Performance Measure & Results

SIGA Net Income

As required by section 207 of the *Criminal Code of Canada*, SLGA owns the slot machines located in SIGA casinos. The net income generated by SIGA is distributed according to the revenue sharing formula in the 2002 Gaming Framework Agreement (GFA) between the Province and the Federation of Saskatchewan Indian Nations (FSIN).

Under the revenue sharing formula, the General Revenue Fund retains 25 per cent of SIGA's net profits, after defined payments, in support of broader provincial objectives. The remaining 75 per cent is distributed back to First Nations communities via the First Nations Trust (FNT) and Community Development Corporations (CDCs). The FNT supports economic and social development, justice, health, education, culture and other First Nations initiatives. The CDCs fund similar initiatives among First Nations and non-First Nations organizations in and around the communities where the casinos are located.

Under the GFA, payments are made from SIGA profits to IGR (\$3.3 million in 2014-15) to support its work in regulating charitable gaming on-reserve and the First Nations Addictions Rehabilitation Foundation (\$2.25 million) for problem gambling services.

After deducting operating expenses, SIGA's net income remained relatively stable at \$82.8 million in 2014-15.

SIGA Net Income				
2010-11	2011-12	2012-13	2013-14	2014-15
\$64.4 M	\$79.2 M	\$86.8 M	\$82.3 M	\$82.8 M

Profit sharing is based on net income prior to the accounting adjustment made for an interest rate swap (\$83.8 million in 2014-15).

Source: SLGA

Total Gross Franchise and Commercial Permittee Beverage Alcohol Purchases

Franchises and commercial permittees generate revenue and economic activity through the purchase and resale of beverage alcohol. The beverage alcohol purchases made by SLGA's private partners reflect the extent to which the Saskatchewan market is served by a blended public-private distribution model.

With the addition of the private liquor stores franchise purchases grew significantly in 2014-15. Commercial permittee purchases decreased in 2014-15. Overall growth since 2010-11 has been supported by a combination of industry price increases and consumers' shifting preference to higher priced products.

Fiscal Year	Franchise Purchases*	Commercial Permittee Purchases
2014-15	\$85.3 M	\$224.8 M
2013-14	\$60.5 M	\$228.0 M
2012-13	\$57.1 M	\$226.5 M
2011-12	\$54.8 M	\$220.1 M
2010-11	\$51.3 M	\$210.3 M

*Includes purchases of full-line private stores.

Source: SLGA

ENSURE CONTINUOUS IMPROVEMENT IN INTERNAL OPERATIONAL EFFICIENCY, PRODUCTIVITY AND PROGRAM EFFECTIVENESS

Key Actions & Results

- SLGA implemented a continuous improvement strategy and plan to strengthen its corporate culture. In March 2015, SLGA held an event examining the direct delivery of beer kegs to commercial permittees rather than delivery to a SLGA liquor store first. This event included the participation of external customers and allowed SLGA to better understand the perspective, needs and expectations of the people it serves. The feedback from the customers involved was extremely positive.
- A new Warehouse Management/Supply Chain system was implemented on Feb. 1, 2015. SLGA continues to review the exchange of information between systems to ensure it is operating properly. Development and testing continued on the Regulatory Services system with final replacement expected in 2015-16. Both the Warehouse Management/Supply Chain system and Regulatory Services systems will improve internal operational efficiency and provide greater information sharing capability.
- SLGA converted four SLGA liquor stores (Kerrobert, Ituna, Ponteix and Langenburg) into rural franchises during the summer of 2014. Converting the stores to franchises allowed SLGA to reduce operating expenses while still ensuring these communities continue to have access to a full line of alcohol products at SLGA prices.
- SLGA continues to perform multi-year program reviews to ensure program effectiveness. Two program reviews (Social Responsibility and Video Lottery Terminals) were scheduled and completed during 2014-15.
- SLGA's new distribution centre is on schedule to open in 2015-16. The distribution centre will use a new service delivery model to help alleviate some labour and retail capacity issues from stores in major centres. This delivery model will include changes to allow beer kegs to be delivered directly to large commercial permittees.

- SLGA enhanced its corporate planning and reporting frameworks and began integration with Enterprise Risk Management.
- In the summer of 2014, SLGA improved pinpad service in its liquor stores, resulting in transaction times being cut by more than half.

All the actions noted above have led to more efficient processes. Greater efficiency allows for employee time and effort to be redirected to other activities.

Performance Measure & Results

Store Operating Costs as a Per Cent of Store Sales

The store operating ratio demonstrates SLGA's efforts to maximize liquor store sales using the least amount of operational resources. After showing improvement in 2012-13 due to reduced expenses from pension adjustments, this measure remained relatively stable in 2014-15. SLGA continuously strives to improve the efficiency of its store operations.

Store Operating Costs as Per Cent of Store Sales				
2010-11	2011-12	2012-13	2013-14	2014-15
11.7%*	11.9%*	11.0%*	10.0%*	10.1%*

*Liquor Board Superannuation Plan adjustments resulted in an increase to store operating costs of \$3.9 million in 2010-11, a further increase of \$1.5 million in 2011-12, followed by a \$3.5 million decrease in 2012-13 and a \$5.1 million decrease in 2013-14. In 2014-15, changes in actuarial assumptions and increases in assets resulted in a \$4.5 million decrease in costs.

Source: SLGA

Distribution Centre Activity

SLGA's distribution centre processed 24,671 orders in 2014-15 which corresponds to approximately 2.5 million cases of beverage alcohol shipped from the warehouse to stores and franchises (including private stores). This is up from 22,731 orders and 2.4 million cases in 2013-14.

Licensing, Regulating and Support Expenses as a Per Cent of Revenue

This efficiency measure reflects SLGA's efforts to balance revenue optimization with expenditures to meet operational and regulatory roles. For the year ending March 31, 2015, SLGA's licensing, regulating and support expenses as a percentage of revenue increased slightly to 3.7 per cent.

Licensing, Regulation & Support Expenses as a Per Cent of Revenue				
2010-11	2011-12	2012-13	2013-14	2014-15
3.3%*	3.2%*	3.3%*	3.4%*	3.7%*

*Liquor Board Superannuation Plan adjustments resulted in an increase in head office labour costs of \$1.3 million in 2010-11, a further increase of \$0.5 million in 2011-12, followed by a \$0.5 million decrease in 2012-13 and a \$1.1 million decrease in 2013-14. In 2014-15, changes in actuarial assumptions and increases in assets resulted in a \$1.5 million decrease in pension costs.

Source: SLGA

VLT Net Income as a Per Cent of VLT Revenue

In 2014-15, VLT activity continued to generate around 73 cents in net income to SLGA for each dollar of VLT revenue. Beginning in 2012-13, the decrease in operating ratio is due to the reintroduction of depreciation expenses that occurred when the VLT network was replaced.

VLT Net Income as a Per Cent of VLT Revenue				
2010-11	2011-12	2012-13	2013-14	2014-15
80.8%	81.0%	80.0%	73.4%	73.0%

Source: SLGA

SIGA Net Income as a Per Cent of SIGA Net Revenue

In 2014-15, SIGA earned 36.5 cents on each dollar of revenue it generated. The slight decrease in 2014-15 reflects an increase in SIGA operating costs.

SIGA Net Income as a Per Cent of SIGA Revenue				
2010-11	2011-12	2012-13	2013-14	2014-15
25.8%	29.7%	32.6%	36.9%	36.5%

Source: SLGA

Marginal Return on Expenses (MRE)

The MRE is intended to measure SLGA's overall return on investment for the expenditures it makes. The MRE expresses a ratio between the change in net income compared to the change in total expenses where any outcome greater than zero is a positive outcome.

In 2014-15, operating expenses grew and net income decreased causing a negative MRE. The decrease in net income is a result of SLGA experiencing actuarial losses on the Liquor Board Superannuation Plan. To a lesser extent, the net income decline was also the result of SIGA experiencing losses related to an interest rate fixing agreement on long term debt.

Marginal Return on Expenses				
2010-11	2011-12	2012-13	2013-14	2014-15
1.39	20.79	4.97	2.77	(1.33)

Source: SLGA

PROVIDE RESPONSIVE AND HIGH QUALITY SERVICES TO CUSTOMERS AND STAKEHOLDERS

Key Actions & Results

- A customer service engagement strategy was developed and drafted and is planned to set the stage for continued improvement in the area of customer engagement and service standards. SLGA anticipates implementation of the strategy in early 2015-16.
- Government undertook a public consultation process to hear from Saskatchewan residents and stakeholders about the future of the province's liquor retail system. The three-month consultation process launched in November 2014. Residents were encouraged to "have their say" by submitting comments via a consultation website while key stakeholders were also invited to submit written comments to government. Overall public participation in the process was strong and government will consider all comments received as it decides the future course of liquor retailing in Saskatchewan.
- SLGA continues to work on expanding online services to customers to enhance their customer experience. A new website is being developed and will be integrated with the Supply Chain system and Regulatory Services system software.
- SLGA continued with its existing customer service excellence training for the first part of the year. A revised customer service excellence training program is to be developed to align with the new customer service strategy.

Performance Measure & Results

Customer Satisfaction

Customer satisfaction is an important indicator of the quality of SLGA's programs and services. In 2010-11, SLGA conducted both online and telephone liquor store satisfaction surveys in tandem to facilitate transition to an online survey model. The 2010-11 online survey results will be used as a benchmark for the customer satisfaction survey planned for 2015-16. The customer satisfaction survey was delayed from 2014-15 to allow for the development of the organization's Service Excellence Branch.

Fiscal Year	Method	Satisfied with Customer Service	Customer Service Meets or Exceeds Expectations
2010-11***	online	83%	95%
2010-11**	phone	92%	97%
2007-08*	phone	88%	95%
2004-05*	phone	91%	96%
2002-03*	phone	92%	97%

*Considered accurate to within $\pm 2.5\%$ at a 95% confidence level.

**Considered accurate to within $\pm 3.7\%$ at a 95% confidence level.

***Uses a non-probability proportional sampling technique, therefore, the standard margin of error is not applicable.

Source: SLGA

PROMOTE GROWTH, DEVELOPMENT AND A SAFE WORKING ENVIRONMENT TO ENGAGE AND EMPOWER EMPLOYEES

Key Actions & Results

- SLGA is committed to reducing workplace injuries through continued enhancement of health and safety initiatives. Effective communication is critical to achieving an injury-free workplace. SLGA implemented Safety Huddles as a communication tool. A Safety Huddle is a 15-minute weekly group meeting to discuss a specific procedure, safe work practice or opportunity to improve the safety of an operation and maintain a high level of safety awareness. The Safety Huddle has been designed to provide timely and accurate two-way information sharing. A safety management system has also been developed to document and monitor progress related to safety issues.
- SLGA continues its development of eLearning programs to enrich employee knowledge and skills. Five safety training modules used for the Liquor Store Operations division were converted to an eLearning format in 2014-15. Further eLearning training modules will be developed or converted in 2015-16.
- SLGA formed a culture committee to work towards a corporate culture that is adaptable and aligns with its core values and strategic direction.

SLGA will continue with its efforts to provide a safe working environment. A safe environment allows employees to do their job effectively.

Performance Measure & Results

Representative Workforce

SLGA is committed to increased recruitment efforts and initiatives to facilitate achievement of a representative workforce, using the Saskatchewan Human Rights Commission's (SHRC) equity group employment targets as a long-term goal. Relative to 2013-14, representation of Aboriginal people, persons with disabilities and members of visible minorities have all increased. While women are highly represented in SLGA's workforce, women continue to be underrepresented in SLGA's senior management and in liquor distribution occupations. SLGA will continue to work toward the SHRC employment targets.

Fiscal Year	Aboriginal People	Women	Persons with Disabilities	Members of Visible Minorities
SHRC Target	13.1%	47%	9.7%	3.8%
2014-15	11.4%	63.3%	6.6%	5.2%
2013-14	8.6%	63.0%	4.7%	4.3%
2012-13	7.0%	63.8%	4.2%	3.8%
2011-12	6.1%	62.6%	4.2%	3.4%
2010-11	6.9%	62.1%	3.6%	3.2%

Source: SLGA

2014-15 Financial Overview

SLGA's comprehensive net income reflects the total net revenue generated less operating expenses, including associated regulatory and compliance costs. Comprehensive net income for 2014-15 was \$3.8 million below SLGA's budget projection of \$491.8 million. SLGA experienced a shortfall of \$13.3 million in liquor operations from budget expectations. This was offset by net income exceeding budget by \$6.1 million from VLTs, \$2.6 million from SIGA and \$0.7 million from other gaming.

SLGA Comprehensive Net Income

SLGA's comprehensive net income is essential to providing sustainable funding in support of Government programs and services.

SLGA comprehensive net income for 2014-15 was \$488.0 million, a decrease of \$6.5 million relative to 2013-14. The net impact was driven by an \$8.1 million decrease in net income from liquor operations and a \$2.9 million decrease in other gaming net income. This was partially offset by a \$4.0 million increase in VLT net income and a \$0.4 million increase in SIGA net income.

SLGA Comprehensive Net Income				
2010-11	2011-12	2012-13	2013-14	2014-15
\$442.5 M	\$463.5 M	\$478.4 M	\$494.5 M	\$488.0 M

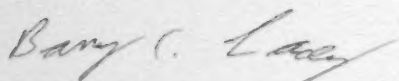
Source: SLGA

Management's Report

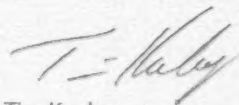
The accompanying financial statements, and related financial information throughout the Annual Report, have been prepared by management using International Financial Reporting Standards. Management is responsible for the integrity, objectivity and reliability of the financial statements.

SLGA's management has established and maintains a system of internal controls that provides reasonable assurance that transactions are recorded and executed in compliance with legislation and authority; assets are safeguarded; there is an effective segregation of duties and responsibilities; and, reliable financial records are maintained. An auditing function exists within SLGA, which objectively assesses the effectiveness of internal controls.

The Provincial Auditor has examined SLGA's financial statements. The Auditor's Report to the Members of the Legislative Assembly of Saskatchewan expresses an independent opinion on the fairness of presentation of SLGA's financial statements in accordance with International Financial Reporting Standards.

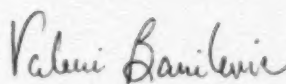


Barry C. Lacey, CPA, CA, CMA
President & CEO



Tim Kealey
Vice President and CFO

Regina, Saskatchewan
June 5, 2015



Val Banilevic, CPA, CMA
Director, Financial Services



Independent Auditor's Report

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Saskatchewan Liquor and Gaming Authority, which comprise the statement of financial position as at March 31, 2015, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Saskatchewan Liquor and Gaming Authority as at March 31, 2015, and the results of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Regina, Saskatchewan
June 5, 2015

Judy Ferguson, FCPA, FCA
Provincial Auditor

Statement 1

SASKATCHEWAN LIQUOR AND GAMING AUTHORITY STATEMENT OF FINANCIAL POSITION As at March 31

	Notes	2015 (000's)	2014 (000's) (Restated – Note 25)
Current assets:			
Cash		\$ 5,632	\$ 1,364
Due from General Revenue Fund	4	50,233	65,712
Trade and other receivables	9	64,780	79,456
Prepaid expenses		1,446	951
Inventory	6	27,352	29,178
Total current assets		149,443	176,661
Non-current assets:			
Property, plant and equipment	7 & 10	110,194	106,857
Intangible assets	8	27,458	24,746
Total non-current assets		137,652	131,603
Total Assets		\$ 287,095	\$ 308,264
Current Liabilities:			
Trade and other payables		\$ 21,389	\$ 31,363
Payable to the General Revenue Fund	5	94,196	106,038
Goods and Services Tax payable	10	436	156
Provisions	19	1,075	1,182
Total current liabilities		117,096	263,739
Non-current liabilities:			
Promissory Note Debt	24	120,000	125,000
Post employment benefits	11	53,030	48,158
Total non-current liabilities		173,030	48,158
Total liabilities		290,126	311,897
Equity			
Retained earnings (deficit) (Statement 3)		(3,031)	(3,633)
Total Equity		(3,031)	(3,633)
Total Liabilities & Equity		\$ 287,095	\$ 308,264
Commitments (Note 13)			
Contingencies (Note 18)			

(See the accompanying notes to the financial statements)

SASKATCHEWAN LIQUOR AND GAMING AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended March 31

		2015		2014
		Budget (Note 15)	Actual	Actual
	Notes	(000's)	(000's)	(000's)
(Restated – Note 25)				
OPERATING				
Revenues:				
Liquor sales	14	\$ 643,478	\$ 622,361	\$ 612,026
VLT		246,024	245,925	239,077
Slot machines	12	235,998	226,812	222,997
Licence, permit, and other income		3,125	4,302	4,966
		1,128,625	1,099,400	1,079,066
Cost of sales:				
Cost of liquor	6	311,195	303,232	295,246
VLT site commissions		36,904	36,889	35,861
		348,099	340,121	331,107
Gross profit on sales		780,526	759,279	747,959
Expenses (Schedule 1 & 2):				
VLT, liquor and other gaming		132,888	120,636	117,103
Slot machines expense		136,857	124,698	123,246
Other	12	18,981	18,330	19,536
Total expenses		288,726	263,664	259,885
Operating Income		491,800	495,615	488,074
FINANCING				
Gain (loss) on disposal of non-current assets		---	50	(26)
Financing Income		---	50	(26)
Net Income		491,800	495,665	488,048
Other Comprehensive Income (OCI)				
Unrealized (loss) gain in interest rate swaps	12	---	(1,028)	2,115
Remeasurement of defined benefit obligation	11	---	(6,651)	4,387
Total OCI		---	(7,679)	6,502
Total Comprehensive Income		\$ 491,800	\$ 487,986	\$ 494,550

(See the accompanying notes to the financial statements)

SASKATCHEWAN LIQUOR AND GAMING AUTHORITY
STATEMENT OF CHANGES IN EQUITY
For the Year Ended March 31

	Retained Earnings (deficit)	Net gain (loss) on interest rate swaps	Net actuarial gain (loss) on defined benefit pension plans	Total
	(000's)	(000's)	(000's)	(000's)
	(Restated – Note 25)			(Restated – Note 25)
Equity				
Balance April 1, 2013	\$ 3,619	\$ (7,319)	\$ (3,181)	\$ (6,881)
Net income	488,048	---	---	488,048
Other comprehensive income (loss)	---	2,115	4,387	6,502
Dividends	(491,302)	---	---	(491,302)
Balance March 31, 2014 (to statement 1)	365	(5,204)	1,206	\$ (3,633)
Net income	495,665	---	---	495,665
Other comprehensive income (loss)	---	(1,028)	(6,651)	(7,679)
Dividends	(487,384)	---	---	(487,384)
Balance March 31, 2015 (to statement 1)	\$ 8,646	\$ (6,232)	\$ (5,445)	\$ (3,031)

(See the accompanying notes to the financial statements)

Statement 4

**SASKATCHEWAN LIQUOR AND GAMING AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended March 31**

	2015 (000's)	2014 (000's)
BUSINESS		
Operating		
Receipts from customers	\$ 1,149,257	\$ 1,096,021
Interest received	152	147
Payments made to suppliers and other	(538,027)	(554,070)
Payments made to employees	(53,605)	(52,600)
Payments made to grant recipients	(9,167)	(7,202)
Payment of Goods and Services Tax	(20,105)	(26,109)
Net cash provided by operating activities	528,505	456,187
Investing		
Purchase of property, plant and equipment	(28,216)	(19,347)
Purchase of intangible assets	(7,324)	(12,595)
Proceeds from disposal of property, plant and equipment	50	(26)
Net cash (used in) investing activities	(35,490)	(31,968)
Net cash provided by BUSINESS activities	493,015	424,219
FINANCING		
Repayment of Promissory Notes	(5,000)	---
Cash Deposited in General Revenue Fund	(499,226)	(481,072)
Net cash (used in) FINANCING activities	(504,226)	(481,072)
Net (decrease) increase in cash position	(11,211)	(56,853)
Cash position, beginning of year	67,076	123,929
Cash position, end of year	\$ 55,865	\$ 67,076
Cash position consists of:		
Cash	\$ 5,632	\$ 1,364
Due from General Revenue Fund	50,233	65,712
	\$ 55,865	\$ 67,076

(See the accompanying notes to the financial statements)

SASKATCHEWAN LIQUOR AND GAMING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2015

1. Description of Business

The Saskatchewan Liquor and Gaming Authority (SLGA) is a corporation domiciled in Canada. The address of SLGA's registered office and principal place of business is 2500 Victoria Avenue, Regina, SK, S4P 3M3.

SLGA operates under *The Alcohol and Gaming Regulation Act, 1997*. SLGA's mandate is to support, develop and regulate the Saskatchewan liquor and gaming industries and to maximize public benefit through high quality services and products.

SLGA operates retail liquor stores and video lottery terminals. SLGA conducts and manages the breakopen vending machine program in the Province. It also owns and manages the slot machines at the Saskatchewan Indian Gaming Authority's (SIGA) casinos. Revenue from slot machines at SIGA's casinos and related expenses are included in these statements.

SLGA operates as a Treasury Board Crown Corporation under the direction of the Government of Saskatchewan. The financial results of SLGA are included in the summary financial statements of the Province of Saskatchewan.

2. Basis of Preparation

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). SLGA's board of directors approved these statements on June 5, 2015.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for financial instruments classified as fair value through profit and loss which are measured at fair value. Historical cost is generally based on fair value of the consideration given in exchange for assets or liabilities.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is SLGA's functional currency.

d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Useful lives of property, plant, and equipment (note 3(e) and note 7).
- Measurement of defined benefit obligations (note 11(ii)).
- Provisions (note 19).
- Cash generating units (CGUs) for SLGA are SLGA retail operations and SLGA gaming operations (note 3(g)(ii)).

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Revenue

Liquor Sales

Sales are recorded net of returns, container deposits, Goods and Services Tax, Liquor Consumption Tax and discounts.

License Fees

Liquor and gaming licence fees are recorded when the licence is approved.

Video Lottery Terminals (VLT)

Revenue is recorded net of prize payouts.

Slot Machines

Revenues from casino slot machines are recorded net of prize payouts. Slot revenues are net of accruals for anticipated payouts of progressive jackpots and promotional allowances.

(b) Promotional Allowances

SIGA offers a customer loyalty program to its patrons. As part of the program, club members accumulate points based on amounts wagered and can redeem their points for cash or vouchers for free or discounted goods or services. The cash value of the points accumulated is recorded as a reduction of gaming revenue. A liability is accrued by SIGA for the estimated cost of the earned points balance at the end of the period under the loyalty program using a historical weighted average of expected point redemption. If the patron chooses to redeem their points for a voucher for free or discounted goods or services, the revenue is determined by the fair value of the undelivered goods and services and is deferred until the promotional consideration is provided.

(c) VLT Site Commission

Establishments where VLTs are located are entitled to a commission based on 15% of the VLT revenue earned. The commission is recorded as the VLT revenue is earned.

(d) Inventories

Inventories of wines, coolers, spirits, beer and gaming machine parts are valued at the lower of average cost and net realizable value.

Cost for liquor inventories is determined using the weighted average cost method. Cost for gaming machine parts is determined on a first-in, first-out basis. Inventory cost includes the costs of purchase plus other costs, such as excise duties and taxes and transportation that are directly incurred to bring inventories to their present location. Previous write-downs of inventories to net realizable values are reversed when inventory values increase.

(e) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item, that are significant in comparison to the whole, of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are depreciated commencing in the year in which these assets are available for use on a straight-line basis at rates designed to allocate the cost of these assets over their estimated useful lives. Rates are as follows:

Buildings	5 – 40 years
Furniture & equipment	3 – 7 years
VLT and slot machines	5 years
Breakopen vending machines	3 – 7 years

Leasehold improvements are depreciated over the lesser of the life of the asset or the term of the lease.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as necessary.

Property, plant and equipment is derecognized on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in comprehensive income when the asset is derecognized.

(f) Intangible Assets

Intangible assets consist of software and are carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized on a straight-line basis over the estimated useful lives of 3 – 7 years. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in comprehensive income when the asset is derecognized.

(g) Impairment

(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in comprehensive income and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through comprehensive income.

(ii) Non-financial assets

The carrying amounts of SLGA's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in comprehensive income. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

(h) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to SLGA. All other leases are classified as operating leases.

As at March 31, 2015, SLGA does not have any finance leases.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

(i) Provisions

Provisions are recognized when SLGA has a present obligation (legal or constructive) as a result of a past event, it is probable that SLGA will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks, uncertainties and timing surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(j) Foreign Currency

Monetary assets and liabilities denominated in foreign currencies are translated at the year-end exchange rates. Revenues and expenses are translated at rates of exchange prevailing on the transaction dates. Translation gains and losses on foreign currency denominated monetary items are taken into income in the current year.

(k) Employee Benefits

(i) Defined benefit plan

A defined benefit plan is a post-employment plan other than a defined contribution plan. Total cost of the pension benefits earned by employees, who are members of SLGA's defined benefit plan (closed to new members since 1977), is determined using the projected unit credit method prorated on service. Remeasurements comprising of actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recorded in other comprehensive income will not be subsequently reclassified to comprehensive income. Past service cost is recognized in profit or loss in the period of plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit liability. Defined benefit costs are split into three categories:

- Service cost, past-service cost, gains and losses on curtailments and settlements;
- Net interest expense or income;
- Remeasurement

SLGA presents the first two components of defined benefit costs in the line item "Salaries, wages and benefits" in Schedule 2. Curtailments gains and losses are accounted for as past-service cost.

Remeasurements are recorded in other comprehensive income.

The retirement benefit obligation recognized in the statement of financial position represents the actual deficit in SLGA's defined benefit plan.

The discount rate used to determine the accrued benefit obligation is determined by reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and the amount of expected benefit payments. Pension plan assets are valued at fair value for the purposes of calculating the expected return on plan assets.

(ii) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution pension plan are recognized as an employee benefit expense in the statement of comprehensive income when services are rendered by employees.

Employees hired after 1977 are members of a defined contribution pension plan. SLGA expenses contributions it is required to make for current service of those employees. SLGA's liability for these employees is limited to the required employer's contributions.

(iii) Other employee benefits

Long service gratuity is a benefit paid to employees over 50 upon retirement. The gratuity is calculated as one half of a day's pay for every year of employment with SLGA upon retirement. Changes in the provision for long service gratuity are included in comprehensive income.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(l) Grants

Grants are recognized when approved and eligibility criteria, if any, are met.

(m) Financial Instruments

(i) Non-derivative financial assets and liabilities

SLGA classifies its financial instruments into one of the following categories: fair value through profit or loss; loans and receivables; and other liabilities. All financial instruments are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below.

Cash and Due from General Revenue Fund are classified as fair value through profit or loss and are recorded at fair value. Cash denominated in foreign currency is translated at the foreign exchange rate in effect at year end.

Trade and other receivables are classified as loans and receivables. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized costs using the effective interest method, less any impairment losses.

SLGA has the following non-derivative financial liabilities which are classified as other liabilities: trade and other payables, payable to the General Revenue Fund, goods and services tax payable, and short-term debt. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

SLGA derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by SLGA is recognized as a separate asset or liability. SLGA derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, SLGA has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(ii) Derivatives

Pursuant to the Casino Operating Agreement (Note 12), SLGA authorized SIGA to enter into long-term debt arrangements. It also authorized SIGA to enter into interest rate swaps in order for SIGA to manage the interest rate exposure on its long-term debt. SLGA's exposure to the interest rate risk arising from this long-term debt, the interest rate swap arrangements, and SIGA's other financial instruments is disclosed in Note 21. Changes in the fair value of the interest rate swaps are recorded as an unrealized gain or loss in comprehensive income in the year they occur.

(iii) Embedded derivatives

Derivatives may be embedded in other host instruments and are treated as separate derivatives when their economic characteristics and risks are not clearly and closely related to those of the host instrument, when the embedded derivative has the same terms as those of a stand-alone derivative, and the combined contract is not held-for-trading or designated at fair value. These embedded derivatives are measured at fair value with subsequent changes recognized in comprehensive income.

SLGA has not identified any material embedded derivatives in any of its financial instruments that are required to be separately valued.

(n) Finance income

Finance income comprises of gains/losses on sale of non-current assets.

(o) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or development of qualifying assets are added to the costs of that asset, until it is available for use. Qualifying assets are those assets that take a substantial period of time to get ready for their intended use. SLGA capitalizes borrowing costs used for the purpose of obtaining a qualifying asset using the weighted average cost of debt. All other borrowing costs are recognized in finance expenses in the period in which they are incurred.

(p) New standards and interpretations not yet adopted

Certain new standards, interpretations and amendments to existing standards were issued by the International Accounting Standards Board (IASB) or International Financial Reporting Interpretations Committee (IFRIC) that are mandatory for annual accounting periods beginning after January 1, 2015 or later periods. SLGA is assessing the impact of these pronouncements on its results and financial position. These include:

IFRS 9 – Financial Instruments (IFRS 9 (2014)) expands on IFRS 9 as issued in 2009. The 2010 version has a significant impact on financial liabilities designated under the fair value option. In addition, IFRS 9 (2010) retains virtually all the classification and measurement guidance in IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 is effective for periods beginning on or after January 1, 2018.

IFRS 15 – Revenue from Contracts with Customers replaces IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18, and SIC 31 and provides for a single model that applies to contracts with customers with two approaches to recognizing revenue. IFRS 15 is effective for fiscal years beginning on or after January 1, 2017.

Annual Improvement Cycles on IFRS 8, IFRS 13, IAS 24, and IAS 38 are also underway and have minimal impact on SLGA.

4. Due from General Revenue Fund

Most of SLGA's bank accounts are included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. During the year, the General Revenue Fund did not pay interest on SLGA's bank accounts.

5. Disposition of Retained Earnings

Subsection 182(5) of *The Alcohol and Gaming Regulation Act, 1997* (Act) allows SLGA to provide interest free advances to the Minister of Finance for deposits in the General Revenue Fund (GRF) until Treasury Board determines the disposition

of SLGA's retained earnings. Under subsection 182(1) of the Act, Treasury Board may, at any time, direct that all or any portion of SLGA's retained earnings be transferred to the GRF. Treasury Board has directed SLGA to transfer \$487,384 thousand (2014 - \$491,302 thousand) to the GRF under subsection 182(1) of the Act. At March 31, amounts payable to GRF were determined as follows:

	2015 (000's)	2014 (000's)
Payable to GRF at beginning of year	\$ 106,038	\$ 95,809
Deposits during the year	(499,226)	(481,073)
Dividend to GRF	487,384	491,302
Payable to GRF at end of year	<u>\$ 94,196</u>	<u>\$ 106,038</u>

6. Inventories

	2015 (000's)	2014 (000's)
Wines, coolers and spirits in stores	\$ 6,283	\$ 9,394
Wines, coolers and spirits in warehouse	9,868	11,593
Beer in stores	6,332	3,296
Gaming machine parts	4,869	4,895
	<u>\$ 27,352</u>	<u>\$ 29,178</u>

The cost of liquor and gaming machine parts inventories recognized as an expense during the year ended March 31, 2015 was \$303,232 thousand and \$433 thousand respectively. During the year, SLGA had no write-downs of inventory below cost and no reversals of inventories previously written down. As of March 31, 2015 there was no amount of inventory pledged as security.

7. Property, Plant and Equipment

(000's)	Land	Buildings	Slot Machines	VLT	Furniture and Equipment	Breakopen Vending Machines	Leasehold Improvements	Total
Cost								
Balance, April 1, 2013	\$ 4,713	\$ 30,368	\$ 57,149	\$ 147,152	\$ 28,003	\$ 2,979	\$ 9,020	\$ 279,384
Additions/Adjustments	---	1,644	4,018	6,799	4,360	---	2,526	19,347
Disposals/Retirements	(17)	(1)	(4,049)	(54,385)	(1,101)	---	(12)	(59,565)
Balance, March 31, 2014	\$ 4,696	\$ 32,011	\$ 57,118	\$ 99,566	\$ 31,262	\$ 2,979	\$ 11,534	\$ 239,166
Additions/Adjustments	---	16,963	10,693	(1,859)	2,491	---	273	28,561
Disposals/Retirements	---	---	(11,522)	(16,365)	(812)	---	(9)	(28,708)
Balance, March 31, 2015	\$ 4,696	\$ 48,974	\$ 56,289	\$ 81,342	\$ 32,941	\$ 2,979	\$ 11,798	\$ 239,019

Accumulated Depreciation

Balance, April 1, 2013	\$ ---	\$ 20,562	\$ 48,848	\$ 70,963	\$ 16,250	\$ 2,976	\$ 8,215	\$ 167,814
Depreciation Expense	---	1,012	4,040	15,771	3,031	---	149	24,003
Disposals/Retirements	---	(1)	(4,049)	(54,385)	(1,073)	---	---	(59,508)
Balance, March 31, 2014	\$ ---	\$ 21,573	\$ 48,839	\$ 32,349	\$ 18,208	\$ 2,976	\$ 8,364	\$ 132,309
Depreciation Expense	---	247	4,452	17,308	3,023	---	159	25,189
Disposals/retirements	---	---	(10,731)	(17,120)	(813)	---	(9)	(28,673)
Balance, March 31, 2015	\$ ---	\$ 21,820	\$ 42,560	\$ 32,537	\$ 20,418	\$ 2,976	\$ 8,514	\$ 128,825

Net Book Value

Balance, March 31, 2014	\$ 4,696	\$ 10,438	\$ 8,279	\$ 67,217	\$ 13,054	\$ 3	\$ 3,170	\$ 106,857
Balance, March 31, 2015	\$ 4,696	\$ 27,154	\$ 13,729	\$ 48,805	\$ 12,523	\$ 3	\$ 3,284	\$ 110,194

8. Intangible Assets

(000's)	Software Total	
Cost		
Balance, April 1, 2013	\$	19,045
Additions/Adjustments		12,595
Disposals/retirements		(968)
Balance, March 31, 2014	\$	30,672
Additions/Adjustments		7,324
Disposals/retirements		(8)
Balance, March 31, 2015	\$	37,988
Accumulated depreciation		
Balance, April 1, 2013	\$	4,064
Depreciation Expense		2,829
Disposals/retirements		(967)
Balance, March 31, 2014	\$	5,926
Depreciation Expense		4,612
Disposals/retirements		(8)
Balance, March 31, 2015	\$	10,530
Net Book Value		
Balance, March 31, 2014	\$	24,746
Balance, March 31, 2015	\$	27,458

9. Trade and Other Receivables

	2015 (000's)	2014 (000's)
Slot machines receivable – SIGA	\$ 59,831	\$ 64,458
VLT receivable	2,356	9,585
Other	2,593	5,413
	<u>\$ 64,780</u>	<u>\$ 79,456</u>

10. Goods and Services Tax (GST)/Harmonized Sales Tax (HST)

SLGA is on the prescribed list of lottery corporations pursuant to Section 188 of the Federal *Excise Tax Act*. In lieu of collecting GST on VLT and slot revenue at the retail level, SLGA calculates and remits GST according to a formula prescribed by the Canada Revenue Agency.

The formula required SLGA to pay 10% on the purchase of taxable goods and services related to gaming programs but only 5% on VLT site contractor commissions.

The GST paid on property, plant and equipment for gaming is set up as part of the cost of the asset and is depreciated on a straight-line basis over the useful life of the property, plant and equipment.

SLGA also pays GST/HST to the Canada Revenue Agency and claims input tax credits on all its liquor and other taxable purchases.

11. Post Employment Benefits

SLGA sponsors a defined benefit pension plan and participates in a defined contribution pension plan covering substantially all of its employees.

(i) Defined contribution plan

The defined contribution plan is called the Public Employees Pension Plan (PEPP). SLGA is required to contribute a specified percentage of payroll costs to PEPP to fund the benefits. The only obligation of SLGA with respect to PEPP is to make the specified contributions. During the year, SLGA paid PEPP and expensed its required contributions of \$3,075 thousand (2014 - \$2,994 thousand).

(ii) Defined benefit plan

The Liquor Board Superannuation Commission administers the defined benefit plan, Liquor Board Superannuation Plan (Plan), for SLGA. The Plan provides pensions calculated at 2% of a member's average salary for the five years of highest salary, multiplied by the number of years of service to a maximum of 35. This Plan has been closed to new members since 1977.

AON Hewitt performed the valuation of the Plan as at September 30, 2014 and extrapolated the valuation to March 31, 2015. The accrued benefit obligation is based on a number of assumptions about future events including: discount rate, rate of salary increases, mortality, retirement rates, and inflation. The following significant assumptions were adopted in measuring the accrued benefit obligation:

	2015	2014
Expected long-term rate of return on plan assets	5.00%	5.50%
Discount Rate	3.40%	4.10%
Salary increases	3.50%	3.50%
Indexing increases to pensions as % of Consumer Price Index	70%	70%
Expected average remaining service life*	0 years	0 years

* SLGA does not have any contributing employees, all have reached 35 years of service.

The following illustrates the effect of changing certain assumptions from assumed rate of: inflation 2.50% and discount rate 3.40%.

	Long-Term Assumptions			
	Inflation*		Discount Rate	
	3.5%	1.5%	4.4%	2.4%
(Decrease) increase in liability	(2.8%)	3.0%	(10.5%)	12.7%

* A change in the inflation rate of 1% has a corresponding change in the discount rate of 1%.

SLGA's pension costs are included in salary, wages, and benefits on Schedule 1 and OCI.

	2015 (000's)	2014 (000's)
Current service cost – defined contribution plan	\$ 3,075	\$ 2,994
Net Interest expense	1,584	2,145
Components of pension costs recorded in profit or loss	4,659	5,139
Return on plan assets (excluding net interest expense)	124	70
Actuarial (gains) losses – assumption changes	6,527	(4,457)
Components of defined benefit costs recorded in OCI	6,651	(4,387)
Total of components of benefit cost	\$ 11,310	\$ 752

Information about SLGA's defined benefit plan is as follows:

	2015 (000's)	2014 (000's)
Accrued benefit obligation		
Accrued benefit obligation, beginning of year	\$ 58,667	\$ 64,341
Interest cost	2,321	2,553
Benefits paid	(4,135)	(4,156)
Experience (gain) loss		
- Change in financial assumptions	3,363	(4,071)
- Change in mortality assumptions	3,276	---
	\$ 63,492	\$ 58,667
Plan Assets		
Fair value of plan assets, beginning of year	\$ 10,509	\$ 10,170
Actual return on plan assets	772	794
Employer contributions	3,316	3,701
Benefits paid	(4,135)	(4,156)
Fair value of plan assets, end of year	\$ 10,462	\$ 10,509
Accrued pension liability	\$ 53,030	\$ 48,158

The plan holds all of its assets in various pooled funds. The Plan's holdings consist of 23.1% (2014 – 22.0%) in a Canadian equity pooled fund, 28.7% (2014 – 33.5%) in foreign equity pooled funds, 46.4% (2014 – 39.0%) in a bond and debenture pooled fund and 1.8% (2014 – 5.4%) in a money market pooled fund.

The major categories of plan assets at the end of the reporting period for each category are as follows:

	2015 (000's)	2014 (000's)
Due from General Revenue Fund	\$ 245	\$ 11
Greystone Fixed Income Fund	---	4,103
TD Canadian Bond Index Fund	4,744	---
Equity Instruments		
- Greystone Canadian Equity Fund	---	2,310
- TD Canadian Equity Index Fund	2,355	---
- Greystone EAFE Growth Fund	---	1,754
- TD International Equity Index Fund	1,472	---
- Greystone US Equity Fund	---	1,771
- TD US Market Index Fund	1,464	---
- Greystone Money Market Fund	---	570
- TD Canadian S.T. Investment Fund	180	---
Total equity instruments	5,471	6,405
	<u>\$ 10,460</u>	<u>\$ 10,519</u>

During the year the Plan moved its investments from an actively managed portfolio with Greystone to a passive portfolio with TD Asset Management. The Plan limits its investment in foreign equities including foreign pooled funds to 40% of the cost of the investment portfolio and is denominated in Canadian dollars. The Plan's units in pooled funds have no fixed interest rate and the returns are based on the success of the fund manager.

Derivative financial instruments are financial contracts that change in value resulting from changes in underlying assets or indices. Derivatives transactions are conducted in over-the-counter markets directly between two counterparties or on regulated exchange markets. All derivative financial instruments are recorded at market value using market prices. Where market prices are not readily available, other valuation techniques are used to determine market value.

The total cash inflow is the amount of employer contributions expected to be received by the pension plan together with interest on investments of 5.0% and employer contributions calculated as 79.4% of total benefit payments. The total cash outflows are the amounts that are required to pay all pension obligations. Forecast of cash flows have been determined using the long-term assumptions used in the valuation. All amounts are based on actual dollar forecasts.

		(\$000's)		
	Contributions	Benefits Paid	Investment Return	Net Cash Outflow
2016	3,415	4,301	527	(359)
2017	3,338	4,204	510	(356)
2018	3,258	4,103	492	(353)
2019	3,173	3,996	475	(348)
2020	3,096	3,900	458	(346)
Total next 5 years	16,280	20,504	2,462	(1,762)
Total 5-10 years	13,968	17,592	2,056	(1,568)
Total 11-30 years	40,551	51,075	4,346	(6,178)
Total 31-50 years	6,948	8,753	327	(1,478)

12. Casino Operating Agreement with the Saskatchewan Indian Gaming Authority

Effective June 11, 2007 the Province and the Federation of Saskatchewan Indian Nations (FSIN) agreed to amend the 2002 Framework Agreement for the purpose of increasing economic and employment opportunities for Aboriginal peoples through casino development within the parameters of *The Criminal Code of Canada*. This amendment also permitted SIGA to retain \$5 million annually from slot machine operations as a capital reserve for the sole purpose of acquiring capital assets. This \$5 million is a receivable due from SIGA and is included in slot machine receivable disclosed in Note 9.

The 2002 Framework Agreement has a term of 25 years. Similar to its predecessor, the 1995 Framework Agreement, the 2002 Framework Agreement requires the Province to retain a portion of the net profits from slot machines in the GRF and distribute the remaining profits to the First Nations Trust, and the Community Development Corporations.

To implement the 2002 Framework Agreement, SLGA and SIGA made agreements for casino operations and slot machine management. The Casino Operating Agreement requires SIGA to pay the net profits from slot machines to SLGA. This agreement also ensures SLGA recovers the cost of slot machines, the related computer system, and interest over five years.

Also under the 2002 Framework Agreement, SIGA has granted a first charge security interest on all its present and after acquired assets to SLGA to secure contractual obligations of SIGA under the Agreement. However, the Agreement requires SLGA, upon joint written request by SIGA and its lenders, to postpone such security in favour of the lenders who require a prior charge relating to funds lent to SIGA for the financing of its operations carried out in accordance with the Agreement. As of March 31, 2015, SIGA owes \$47,498 thousand under a \$79,000 thousand long-term financing agreement with a financial institution (Bank) (Note 13). SLGA has postponed its security in regards to this financing agreement.

In order to manage its interest rate exposure, SIGA entered into separate interest rate swap arrangements for its long-term debt related to the Dakota Dunes, Living Sky and Painted Hand construction projects. The interest rate swaps came into effect on April 1, 2008, April 1, 2009, and March 22, 2013. These swap arrangements fixed the interest rates at 2.08% to 5.09% for the duration of the long-term debt (March 2023 and August 2024).

Under the Casino Operating Agreement between SIGA and SLGA, SIGA is permitted to charge its losses from table games and ancillary operations as an expense of slot machine operations. As well, the Casino Operating Agreement requires SIGA to pay to the Indigenous Gaming Regulators Inc. (IGR) funds equal to IGR's operating budget upon direction from SLGA.

Effective for the year ended March 31, 2008 and subsequent years, the Casino Operating Agreement between SIGA and SLGA has been amended to exclude unrealized gains and losses on the interest rate swaps initiated on December 12, 2007, from the calculation of net Casino profits payable to SLGA. These unrealized gains and losses are netted against the slot machines receivable due from SIGA disclosed in Note 9. As of March 31, 2015, the accumulated unrealized loss reducing the slot machines receivable was \$ 1,028 thousand (2014 – \$2,115 thousand gain).

In addition, under an agreement with Saskatoon Prairieland Park Corporation (SPPC), SIGA is required to pay SPPC compensation for the closure of its casino (Note 13).

During the year, SIGA's losses from table game and ancillary operations as well as SIGA's payments to IGR and SPPC are recorded as an expense of slot machine operations as follows:

	2015 (000's)	2014 (000's)
Table games revenues	\$ 11,227	\$ 9,724
Table games expenses	13,430	13,030
Net losses from table games	\$ 2,203	\$ 3,306
Ancillary operations revenues	\$ 14,982	\$ 14,596
Ancillary operations expenses	25,209	25,326
Net losses from ancillary operations	\$ 10,227	\$ 10,730
Total losses expensed	12,430	14,036
IGR payment	3,300	2,900
SPPC payment	2,600	2,600
	<u>\$ 18,330</u>	<u>\$ 19,536</u>

13. Commitments

SLGA

Leases: SLGA, as lessee, is committed to pay under operating leases on leased premises the following minimum amounts in future years:

Year Ending March 31	(000's)
Less than one year	\$ 4,287
Between one and five years	9,578
More than five years	1,143
Total	<u>\$ 15,008</u>

SIGA Leases, Casino and Debt

Under the Casino Operating Agreement, SLGA allows SIGA to recover its costs for approved casino operating expenses, contractual obligations, and commitments from SLGA's slot machine revenues. SIGA's contractual obligations and commitments are as follows:

Operating Leases: SIGA has obligations under casino operating leases for buildings, equipment and vehicles. The minimum lease payments over the next five years are as follows:

Year Ending March 31	(000's)
Less than one year	\$ 6,038
Between one and five years	13,994
More than five years	<u>4,462</u>
	<u>\$ 24,494</u>

The above commitments include amounts committed to parties related to SIGA totalling \$16,421 thousand for years 2016 through 2020 and \$4,462 thousand for the years beyond 2020.

Finance Leases: SIGA has entered into finance lease agreements for the Dakota Dunes, Living Sky and Painted Hand Casinos with related parties. The minimum lease payments under these finance lease obligations are as follows:

Year Ending March 31	(000's)
Less than one year	\$ 6,532
Between one and five years	26,126
More than 5 years	<u>46,949</u>
Total	<u>\$ 79,607</u>

Due to the related party nature of the finance lease obligation, fair value information has not been disclosed as fair value cannot be reliably measured.

Long-term debt: In 2007, SIGA made a long-term financing agreement with the Bank for \$79,000 thousand to finance the new casino projects. As of March 31, 2015, SIGA owes \$47,498 thousand (2014 - \$52,953 thousand) under this agreement at interest rates varying from 4.94% to 5.09%. SIGA's principal repayments are as follows:

Year Ending March 31	(000's)
2016	\$ 5,456
2017	5,456
2018	5,455
2019	5,456
2020 and subsequent	25,673

Other: The Casino Operating Agreement requires SIGA to transfer to IGR funds to support IGR's annual operating budget. For 2016, the budgeted transfers are \$3,300 thousand (2015 - \$3,300 thousand).

As well, under an agreement with SPPC and effective August 10, 2007, SIGA began paying SPPC \$2,600 thousand annually, subject to certain conditions, for 30 years payable in monthly installments of \$217 thousand. In 2015, SIGA paid \$2,600 thousand (2014 - \$2,600 thousand) to SPPC, which is recorded as part of the SIGA other operating expenses.

SIGA has also previously committed to providing sponsorship funding to various agencies.

14. Liquor Sales

	2015 (000's)	2014 (000's)
Wines, coolers and spirits		
In stores:		
-To permittees	\$ 72,440	\$ 71,558
-To public	225,814	229,656
	<u>298,254</u>	<u>301,214</u>
To franchisees/private stores:		
-To permittees	5,491	5,685
-To public	43,544	31,010
	<u>49,035</u>	<u>36,695</u>
	<u>347,289</u>	<u>337,909</u>
Beer		
-To permittees	135,153	138,696
-In stores	115,573	119,826
-To franchisees/private stores	24,346	15,595
	<u>275,072</u>	<u>274,117</u>
Total	<u>\$ 622,361</u>	<u>\$ 612,026</u>

15. 2015 Budget

These amounts represent the budget approved by Treasury Board.

16. Segmented Information

SLGA operates in four segments – liquor, VLT, slots in SIGA casinos, and other gaming.

The liquor segment reflects the retailing and licensing of beverage alcohol activities within the province.

The VLT segment reflects the operation of the VLT program under the authority of Section 207 of the *Criminal Code of Canada* and *The Alcohol and Gaming Regulation Act, 1997*.

The slots in SIGA casinos segment reflect the operations of SLGA's slot machines in SIGA casinos (see Note 12).

The Other Gaming segment reflects the licensing and support of charitable and religious organizations that conduct and manage bingos, casinos, raffles, and breakopen ticket sales and the regulation and support of the horse racing industry. The Other Gaming segment also includes the breakopen vending machine program.

The breakopen vending machine operations consist of vending machines capable of dispensing lottery tickets that may have a stipulated prize hidden under a paper covering. On behalf of SLGA, tickets for the breakopen vending machine (breakopen) operation are distributed by Pollard Banknote Limited Partnership. The breakopen operation had revenues net of prizes of \$191 thousand (2014 - \$211 thousand) and expenses (including operating expenses, Goods and Services Tax, and distributions to charities) of \$155 thousand (2014 - \$178 thousand) for the year. Included in Other Gaming segment is a \$32 thousand net income (2014 - \$33 thousand net income) relating to the breakopen operation.

Key amounts by segment as follows:

	SEGMENTS					
	2015					2014 (000's) (Restated - Note 25)
	(000's)					
	LIQUOR	VLT	SLOTS IN SIGA CASINOS	OTHER GAMING	TOTAL	
Revenues	\$ 622,361	245,925	226,812	---	1,095,098	\$ 1,074,100
Other Income	3,722	164	---	466	4,352	4,940
Total Revenues	626,083	246,089	226,812	466	1,099,450	1,079,040
Direct Expenses	303,232	36,889	---	---	340,121	331,107
Operating Expenses (Schedule 1 & 2)	71,973	29,570	143,028	19,093	263,664	259,885
Total Expenses	375,205	66,459	143,028	19,093	603,785	590,992
Subtotal	250,878	179,630	83,784	(18,627)	495,665	488,048
Other Comprehensive Income	(6,651)	---	(1,028)	---	(7,679)	6,502
Total Comprehensive Income	244,227	179,630	82,756	(18,627)	487,986	494,550
Retained earnings (deficit) beginning of year	1,571	---	(5,204)	---	(3,633)	(6,881)
Dividend to General Revenue Fund	242,642	179,630	83,784	(18,672)	487,384	491,302
Retained earnings (deficit) end of year	\$ 3,156	---	(6,232)	(45)	(3,031)	\$ (3,633)
Property, plant and equipment	\$ 49,254	54,871	24,735	8,792	137,652	\$ 131,603
Property, plant and equipment purchases	\$ 26,470	9,171	244	---	35,885	\$ 31,942
Depreciation	\$ 3,901	18,293	7,080	527	29,801	\$ 26,833

17. Related Parties

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to SLGA by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as related parties).

Government-related entities are exempt from providing disclosure about individual related party transactions, other than the transactions with key management personnel disclosed below. Instead, government-related entities are required to disclose the types and extent of individually or collectively significant transactions with related parties. In determining individually significant transactions, SLGA considers the size, type and terms of the transaction.

SLGA also pays Saskatchewan provincial sales tax on all its taxable purchases to the Saskatchewan Ministry of Finance, in 2015 SLGA paid \$185 thousand (2014 - \$3,561 thousand). Taxes paid are recorded as part of the cost of those purchases. SLGA also collects liquor consumption tax from customers and remits to the Saskatchewan Ministry of Finance, in 2015 SLGA paid \$35,120 thousand (2014 - \$37,037 thousand). All other transactions with related parties are routine operating transactions that are settled at prevailing market prices under normal trade terms.

SLGA's Key Management Personnel Compensation

Key management personnel include the president and vice presidents. The compensation paid (including benefits) to key management for employee services is shown below:

	2015 (000's)	2014 (000's)
Salaries and short-term employee benefits	\$ 995	\$ 1,103
Post-employment benefits	133	145
	<u>\$ 1,128</u>	<u>\$ 1,248</u>

18. Contingencies

	2015 (000's)	2014 (000's)
Court proceedings (i)	<u>\$ 5,000</u>	<u>\$ 11,500</u>

(i) As part of ongoing operations SLGA faces legal actions initiated by third parties and contract disputes.

At year-end there were actions outstanding against SLGA, which the likelihood of loss is unlikely. Settlements arising from the resolution of these actions will be accounted for in the year in which the settlements occur.

19. Provisions

	Short-term Employee Benefits (000's)	
Balance, April 1, 2013	\$	2,133
Provisions made during the period		1,182
Provisions used during the period		(2,133)
Balance, March 31, 2014	\$	1,182
Provisions made during the period		1,075
Provisions used during the period		(1,182)
Balance, March 31, 2015	\$	1,075

Short-term Employee Benefits

The provision for short-term employee benefits represents part-time pension benefits, annual sick leave and long service gratuity entitlements. SLGA recognized a liability of nil (2014 - \$107 thousand) in respect of the part-time pension benefit claims outstanding against SLGA. SLGA settled all claims in 2014-15.

20. Western Canada Lottery Corporation

The Saskatchewan Video Lottery Division (Division) of the Western Canada Lottery Corporation (WCLC) operates the video lottery terminals and central computer system on behalf of SLGA. WCLC provides accounting, purchasing, cash disbursements, human resources and technical services for the VLT program. WCLC also operates and generally maintains the slot machines and related computer system at the SIGA casinos for SLGA and the breakopen vending machines on behalf of SLGA. For the year ended March 31, 2015, WCLC charged SLGA \$18,232 thousand (2014 - \$17,701 thousand) to operate the VLT, slot machine program and the breakopen vending machines for the year which is included in professional and contractual services on Schedule 1.

WCLC sponsors a defined benefit retirement plan for the employees of the Division. The current service and interest costs of the retirement plan are included in the amount paid to WCLC. During the year, SLGA paid WCLC and expensed a total of \$1,019 thousand (2014 - \$1,162 thousand) which is included in professional and contractual services on Schedule 1.

As of March 31, 2015, the retirement plan is in a deficit status of \$3,820 thousand (2014 - \$3,025 thousand deficit status).

21. Financial Risks

Fair Value

Fair values approximate amounts at which financial instruments could be exchanged between willing parties based on current markets for instruments with similar characteristics such as risk and remaining maturities. Fair value measurements are subjective in nature, and represent point-in-time estimates which may not reflect fair value in the future.

The methods and assumptions used to develop fair value measurements have been prioritized into three levels as per the fair value hierarchy included in IFRS. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs other than quoted prices included in Level one that are observable for the asset or liability. Level three includes inputs that are not based on observable market data.

The following table presents the carrying amount and fair value of SLGA's financial instruments. The table also identifies the financial instrument category and fair value hierarchy.

(in 000's)						
Financial Instruments	Classification ¹	Fair Value Hierarchy	2015		2014	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash	FVTPL	Level One	\$ 5,632	\$ 5,632	\$ 1,364	\$ 1,364
Due from General Revenue Fund	FVTPL	Level One	50,233	50,233	65,712	65,712
Trade and other receivables	L&R	N/A	64,780	64,780	79,456	79,456
Trade and other payables	OFL	N/A	21,389	21,389	31,846	31,846
Promissory Note debt	OFL	N/A	120,000	120,000	125,000	125,000
Payable to General Revenue Fund	OFL	N/A	94,196	94,196	106,038	106,038
GST Payable	OFL	N/A	436	436	156	156

¹ Classification:

FVTPL – Fair value through profit and loss, L&R - Loans and receivables, OFL - Other financial liabilities

SLGA is exposed to a number of financial risks in the normal course of operations. SLGA's risks have not changed during the year.

Credit and Interest Rate Risk

Interest rate risk is the risk of financial loss resulting from changes in market interest rates. SLGA is exposed to interest rate risk on its promissory note debt and may be exposed to interest rate risk on future short-term and long-term borrowings. At year end, SLGA had \$120,000 thousand of promissory note debt. Due to the short-term nature of SLGA's debt, the interest rate risk SLGA is exposed to is minimal.

SLGA is exposed to minimal credit risks from the potential non-payment of accounts receivable as most receivables are either short-term and are collected shortly after year end or are from SIGA. SLGA exerts significant influence over SIGA's operations and SIGA remits the amount owing to SLGA in accordance with the Casino Operating Agreement described in Note 12. The VLT receivable is collected shortly after March 31 in accordance with the agreement for services between SLGA and WCLC as described in Note 20.

The maximum credit risk from these financial instruments is limited to the carrying value of the financial assets summarized below:

	2015	2014
	(000's)	(000's)
Cash	\$ 5,632	\$ 1,364
Due from General Revenue Fund	50,233	65,712
Accounts Receivable	64,780	79,456
	<u>\$ 120,645</u>	<u>\$ 146,532</u>

As described in Note 3(m), SLGA is exposed to SIGA's credit and interest rate risks. SIGA's financial risks arise mainly from its bank financing (\$47,498 thousand – March 31, 2015; \$52,953 thousand – March 31, 2014) and its interest rate swap arrangements which are partially offset by changes in interest rates on its variable borrowings. At March 31, 2015, if interest rates at that date had changed 100 basis points, with all other variables held constant, SLGA's net income would have changed \$2,221 thousand.

As of March 31, 2015, there was no impairment required on any of the financial assets of SLGA and SIGA.

SLGA has evaluated the interest rate risk as low and has done nothing to mitigate the risk.

Foreign Currency Exchange Risk

SLGA is exposed to foreign exchange risk due to purchase transactions for liquor and electronic gaming machines. As of March 31, 2015, SLGA had \$146 thousand (2014 - \$174 thousand) in United States (U.S.) financial liabilities. SLGA is also exposed to foreign exchange risks resulting from a U.S. dollar denominated cash deposit account. This U.S. dollar denominated cash deposit account is included in SLGA's Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. As of March 31, 2015, SLGA has \$1,341 thousand (2014 - \$1,135 thousand) in this account.

In 2015, SLGA recorded a \$210 thousand gain (2014 - \$33 thousand gain) due to the variation in the foreign exchange rates.

To date, SLGA has not entered into financial derivative contracts to manage exposure to fluctuations in foreign exchange rates.

Liquidity Risk

Liquidity risk is the risk that SLGA will not be able to meet its financial obligations as they fall due. The majority of SLGA operational activity involves cash sales and short-term accounts receivable. SLGA relies on funds generated from its operations and short-term debt to meet operating requirements and to finance capital investment.

Contractual cash flows - 2015 (In 000's)

FINANCIAL LIABILITIES	Carrying amount	Total	0 - 6 months	7 - 12 months	1 - 2 years	3 - 5 years	Greater than 5 years
Trade and other payables	\$ 21,389	\$ 21,389	21,389	---	---	---	---
Payable to the GRF	94,196	94,196	94,196	---	---	---	---
GST Payable	436	436	436	---	---	---	---
Provisions	1,075	1,075	1,075	---	---	---	---
Promissory Note debt	120,000	120,000	---	5,000	5,000	15,000	95,000
Post Employment Benefits	53,030	53,030	2,151	2,150	4,204	11,999	32,526
	<u>\$ 290,126</u>	<u>\$ 290,126</u>	<u>\$ 119,247</u>	<u>\$ 7,150</u>	<u>\$ 9,204</u>	<u>\$ 26,999</u>	<u>\$ 127,526</u>

Contractual cash flows - 2014
(In 000's)

FINANCIAL LIABILITIES	<u>Carrying amount</u>	<u>Total</u>	<u>0 - 6 months</u>	<u>7 - 12 months</u>	<u>1 - 2 years</u>	<u>3 - 5 years</u>	<u>Greater than 5 years</u>
Trade and other payables	\$ 31,363	\$ 31,363	31,363	---	---	---	---
Payable to the GRF	106,038	106,038	106,038	---	---	---	---
GST Payable	156	156	156	---	---	---	---
Provisions	1,182	1,182	1,182	---	---	---	---
Promissory Note debt	125,000	125,000	125,000	---	---	---	---
Post Employment Benefits	48,158	48,158	2,201	2,201	4,279	12,122	27,355
	<u>\$ 311,897</u>	<u>\$ 311,897</u>	<u>\$ 265,940</u>	<u>\$ 2,201</u>	<u>\$ 4,279</u>	<u>\$ 12,122</u>	<u>\$ 27,355</u>

22. Capital

SLGA's capital structure consists of current payables and post employment benefits, financing, cash and cash equivalents, and retained earnings. Treasury Board determines the disposition of SLGA's retained earnings (Note 5). SLGA management's objectives to manage its capital are to use capital to provide an appropriate return on investment to the Government of Saskatchewan and to preserve financial flexibility in order to maintain SLGA's ability to meet financial obligations.

SLGA finances its capital requirements through internal operating activities and funds obtained by borrowing from the Government of Saskatchewan General Revenue Fund (GRF). SLGA borrows all of its capital through the Government of Saskatchewan. At the end of the year, SLGA had \$120,000 thousand in promissory notes (Note 24).

SLGA does not set a target rate of return on capital for managing its operations but rather promotes year-over-year sustainable profitable growth. SLGA is not subject to any externally imposed capital requirements.

No borrowing costs associated with the short-term debt from the GRF were capitalized during the year.

23. Funds held in Trust

SLGA holds funds in trust on behalf of employees as part of SLGA's extended health care plan. At March 31, 2015, SLGA held \$261 thousand (2014 - \$279 thousand) on behalf of in-scope employees.

24. Promissory Notes

SLGA holds \$120,000 thousand in a series of promissory notes with various financial institutions. SLGA has not set repayment terms on the promissory notes and will make repayments as cashflows allow. As at March 31, 2015, the promissory notes are as follows:

Date of issue	Date of maturity	Interest Rate (%)	Currency	Outstanding amount (000's)
05-DEC-2014	02-JUN-2015	1.010	CAD	\$ 3,400
05-DEC-2014	03-JUN-2015	1.011	CAD	10,000
05-DEC-2014	03-JUN-2015	1.011	CAD	10,000
05-DEC-2014	04-JUN-2015	1.009	CAD	10,000
05-DEC-2014	05-JUN-2015	1.010	CAD	10,000
10-DEC-2014	04-JUN-2015	1.000	CAD	11,500
10-DEC-2014	08-JUN-2015	1.001	CAD	11,600
15-DEC-2014	15-JUN-2015	1.000	CAD	8,500
06-MAR-2015	02-SEP-2015	0.720	CAD	15,000
09-MAR-2015	04-SEP-2015	0.700	CAD	10,000
23-MAR-2015	18-SEP-2015	0.679	CAD	20,000
				\$ 120,000

25. Restatement of Prior Years Statement of Comprehensive Income and Statement of Changes in Equity

It is not required that the extended health care plan for out of scope employees be accounted for as trade and other payables. This will be recognized in other comprehensive income (loss) and all current service costs to be recognized immediately to net income. The impact of this change is as follows:

Statement of Comprehensive Income

VLT, liquor and other gaming (Salaries, wages and benefits) – Schedule 1
Adjustment to Net Income

Increase (decrease)
Year ended March 31, 2014
(000's)
(45)
45

Statement of Changes in Equity

Retained earnings (deficit)
Net Income
Adjustment to total equity

Increase (decrease)
March 31, 2014
(000's)
438
45
483

SASKATCHEWAN LIQUOR AND GAMING AUTHORITY
SCHEDULE OF OPERATING EXPENSES
For the Year Ended March 31

	<u>VLT, Liquor & Other Gaming</u>		<u>Slots in SIGA Casinos*</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
	(000's)	(000's) (Restated – Note 25)	(000's)	(000's)	(000's)	(000's) (Restated – Note 25)
Salaries, wages and benefits	\$ 53,398	\$ 51,302	\$ 50,176	\$ 49,482	\$ 103,574	\$ 100,784
Depreciation	22,721	20,852	7,080	5,982	29,801	26,834
Operations and maintenance	1,989	1,979	20,064	20,557	22,053	22,536
Rent, utilities and insurance	7,208	6,850	11,207	10,574	18,415	17,424
Advertising, printing and promotion	39	52	17,220	17,223	17,259	17,275
Professional and contractual services	13,310	15,108	2,626	2,741	15,936	17,849
Grants (Note 3(l))	9,154	7,248	---	---	9,154	7,248
Service charges and interest	1,505	2,047	7,193	7,656	8,698	9,703
Goods and Services Tax	2,335	2,383	3,127	3,313	5,462	5,696
Debit/Credit charges	4,118	4,057	---	---	4,118	4,057
Sundry	552	695	2,214	1,844	2,766	2,539
Communications	530	573	1,838	1,899	2,368	2,472
Information Technology	1,589	1,790	---	---	1,589	1,790
Stationery and supplies	1,058	1,021	736	722	1,794	1,743
Travel and business	828	874	750	741	1,578	1,615
Honoraria and related expenses	69	63	464	512	533	575
Customer service programs	233	209	---	---	233	209
Indigenous Gaming Regulators (Note 12)	---	---	3,300	2,900	3,300	2,900
Saskatoon Prairieland Park Corporation (Note 12)	---	---	2,600	2,600	2,600	2,600
SIGA table and ancillary operation losses (Note 12)	---	---	12,433	14,036	12,433	14,036
	<u>\$ 120,636</u>	<u>\$ 117,103</u>	<u>\$ 143,028</u>	<u>\$ 142,782</u>	<u>\$ 263,664</u>	<u>\$ 259,885</u>

*Represents operating costs of SIGA casinos.

Schedule 2

SASKATCHEWAN LIQUOR AND GAMING AUTHORITY
SCHEDULE OF SEGMENTED EXPENSES
For the Year Ended March 31

	Liquor		Other Gaming		VLT		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	(000's)	(000's) (Restated – Note 25)	(000's)	(000's)	(000's)	(000's)	(000's)	(000's) (Restated – Note 25)
Salaries, wages and benefits	\$ 45,843	\$ 44,359	\$ 7,555	\$ 6,943	\$ ---	\$ ---	\$ 53,398	\$ 51,302
Depreciation	3,901	3,034	527	748	18,293	17,070	22,721	20,852
Professional and contractual services	3,312	4,799	1,632	1,626	8,366	8,683	13,310	15,108
Grants (Note 3(l))	1,079	1,094	8,075	6,154	---	---	9,154	7,248
Rent, utilities and insurance	7,191	6,823	17	27	---	---	7,208	6,850
Debit/Credit charges	4,116	4,054	2	3	---	---	4,118	4,057
Goods and Services Tax	---	---	346	402	1,989	1,981	2,335	2,383
Operations and maintenance	1,961	1,945	28	34	---	---	1,989	1,979
Information Technology	1,295	1,436	294	354	---	---	1,589	1,790
Service charges and interest	503	1,962	80	85	922	---	1,505	2,047
Stationary and supplies	971	959	87	62	---	---	1,058	1,021
Travel and business	572	619	256	255	---	---	828	874
Sundry	513	656	39	39	---	---	552	695
Communications	424	451	106	122	---	---	530	573
Customer service programs	233	209	---	---	---	---	233	209
Honoraria and related expenses	34	33	35	30	---	---	69	63
Advertising, printing and promotion	25	36	14	16	---	---	39	52
	<u>\$ 71,973</u>	<u>\$ 72,469</u>	<u>\$ 19,093</u>	<u>\$ 16,900</u>	<u>\$ 29,570</u>	<u>\$ 27,734</u>	<u>\$ 120,636</u>	<u>\$ 117,103</u>

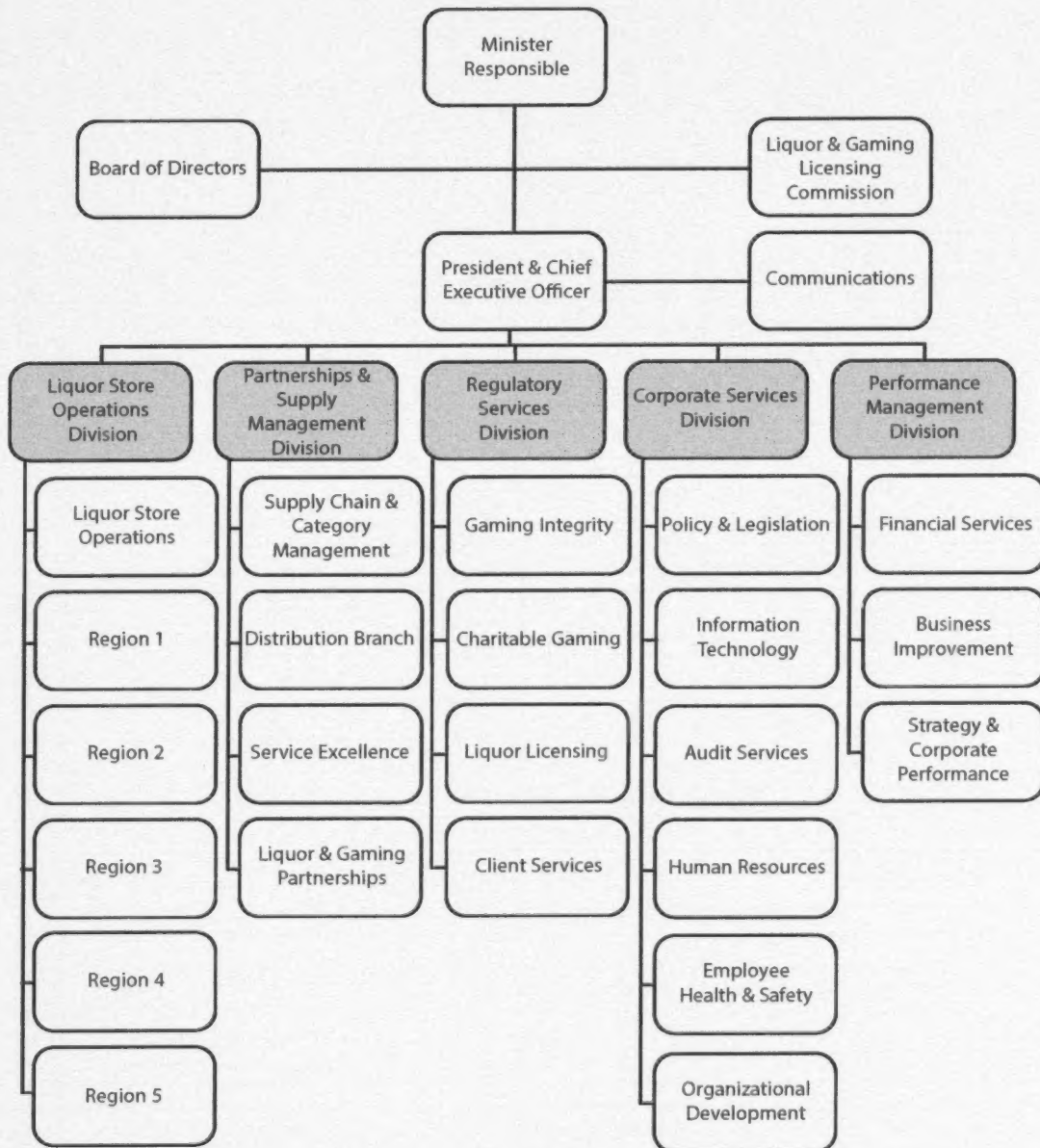
For More Information

If you have any questions or comments about SLGA's annual report, or if you have specific questions about the programs and services provided by SLGA, please contact:

Saskatchewan Liquor and Gaming Authority
P.O. Box 5054
2500 Victoria Avenue
Regina, SK, S4P 3M3
Toll free 1-800-667-7565 or (306)787-5563
www.slga.gov.sk.ca

Appendix A

SLGA Organizational Chart



Appendix B

Summary of SLGA's Partners and Stakeholders

Beer Canada. Represents the multi-national brewers as well as several regional breweries. www.beercanada.com

Bingo Charity Associations. A Bingo Charity Association is a Class A licensee who coordinates bingo and charitable gaming events on behalf of all licensed charities conducting charitable gaming in its licensed facility.

Canadian Centre on Substance Abuse (CCSA). The Canadian Centre on Substance Abuse is Canada's national addictions agency. Its mission is to provide objective, evidence-based information and advice that will help reduce the health, social and economic harm associated with substance abuse and addictions. www.ccsa.ca

Canadian Partnership for Responsible Gambling (CPRG). The Canadian Partnership for Responsible Gambling is a collaboration of non-profit organizations, gaming providers, research centres and regulators working to find and promote effective ways to reduce the risk of problem gambling.

Canadian Vintners Association. This is a national association dedicated to the promotion and well being of Canada's wine sector. www.canadianvintners.com

Charities. Charities are eligible for licensing to raise funds to support their charitable gaming activities through bingo, raffle, breakopen, Texas Hold'em poker and Monte Carlo events. Non-profit groups are also eligible for licensing for raffles with prizes of less than \$1,000.

Federation of Saskatchewan Indian Nations (FSIN). The FSIN represents 74 of Saskatchewan's First Nations. SLGA works with the FSIN in implementing the terms of the Gaming Framework Agreement. www.fsin.com

Indigenous Gaming Regulators (IGR). IGR licenses and regulates table games at SIGA casinos and on-reserve charitable gaming activities of those First Nations that have designated IGR as their regulator. www.igr.ca

Mothers Against Drunk Driving (MADD) Canada. MADD Canada is a charitable organization that is committed to stopping impaired driving through the promotion of public policy and legislative measures and through public awareness campaigns and educational programs. In addition, MADD provides support and resources to the victims of impaired-driving. www.madd.ca

Non-Profit Clubs. Consists of ethnic associations, service clubs, veteran organizations and sporting clubs (including golf and curling) that have a permanent facility/clubhouse and a special use permit (as opposed to groups who use special occasion permits and may or may not have a permanent location).

Responsible Gambling Council (RGC). The RGC is a non-profit organization that works with individuals and communities to address gambling in a healthy and responsible way. The Council undertakes research and public awareness programs designed to prevent gambling-related problems. www.responsiblegambling.org

Restaurants Canada. (Saskatchewan Division). Restaurants Canada has approximately 600 members in Saskatchewan including both liquor permitted and non-liquor permitted establishments. www.restaurantscanada.org

Saskatchewan Government and General Employees Union (SGEU). Eighty-eight per cent of SLGA employees are unionized and represented by SGEU. www.sgeu.org

Saskatchewan Hotel and Hospitality Association (SHHA). SHHA represents both hotel owners and operators in urban areas and rural communities. www.skhha.com

Saskatchewan Indian Gaming Authority (SIGA). SIGA operates the province's six First Nations casinos on behalf of the FSIN. www.siga.sk.ca

Saskatchewan Liquor Vendors Association (SLVA). SLVA represents all of the rural liquor franchises. Franchises are authorized by SLGA to sell beverage alcohol in rural communities across the province. www.saskliquorvendors.ca

Saskatchewan Tourism and Education Council (STEC). STEC delivers the *Serve it Right Saskatchewan* program. The program helps operators and servers of liquor permitted establishments understand their duty of care and promotes responsible use, while maintaining or enhancing profits. STEC also offers the Door Staff Workshop. This program trains door staff in liquor permitted establishments to identify signs of intoxication, monitor the activities of patrons and reduce the risk of violence in and around permitted premises. www.stec.com

Saskatchewan Wine and Spirits Association (SWSA). SWSA is a provincial association dedicated to the promotion of wine and spirits within the provincial liquor industry.

Spirits Canada. Spirits Canada, also known as the Association of Canadian Distillers, is the national trade association of Canadian manufacturers and marketers of distilled spirit products including Canadian whisky, rum, vodka, gin, liqueurs and coolers. www.acd.ca

Students Against Drinking and Driving (SADD)

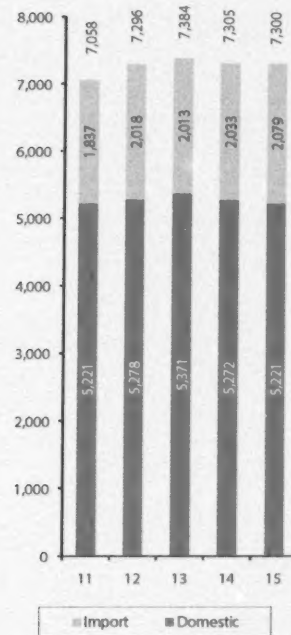
Saskatchewan. SADD is a charitable organization that strives to save lives and prevent injuries caused by drinking and driving. SADD works to achieve this goal through education and public awareness and by influencing legislation and public policy in areas related to drinking and driving. www.saddask.ca

Western Canada Lottery Corporation (WCLC). WCLC is a non-profit organization authorized to operate lottery and gaming-related activities as agent for SLGA. www.wclc.com

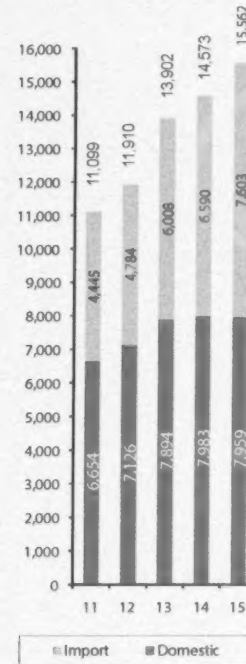
Appendix C

Volume of Sales – Five Year History Financial Years Ending March 31

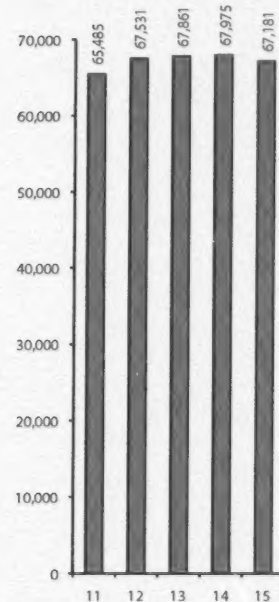
Spirits (000s of litres)



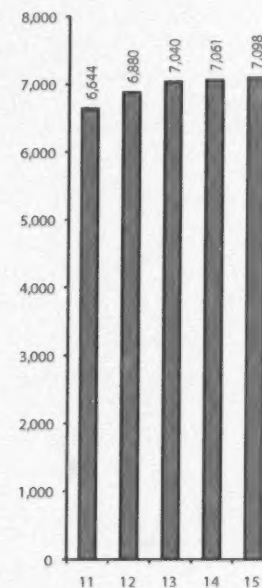
Wine and Coolers (000s of litres)



Beer (000s of litres)



Absolute Alcohol* (000s of litres)

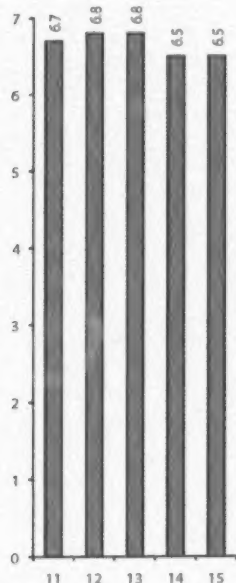


**As most alcoholic beverages have different alcohol percentages they are often converted to absolute alcohol to allow for comparison. Absolute alcohol refers to the amount sold as if all products were 100 per cent alcohol.*

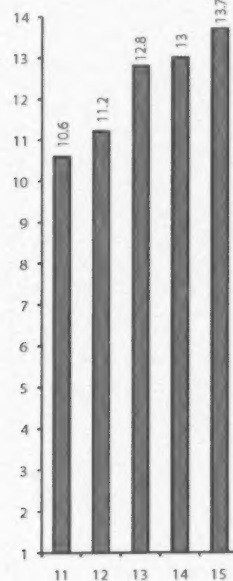
Appendix D

Per Capita Sales – Five Year History Financial Years Ending March 31

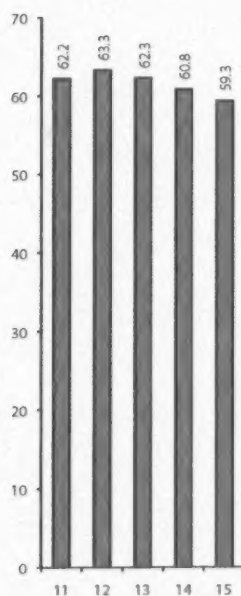
Spirits (litres)



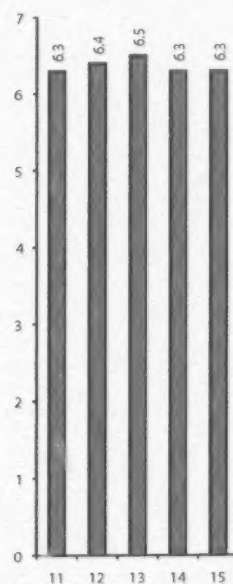
Wine and Coolers (litres)



Beer (litres)



Absolute Alcohol* (litres)



**As most alcoholic beverages have different alcohol percentages they are often converted to absolute alcohol to allow for comparison. Absolute alcohol refers to the amount sold as if all products were 100 per cent alcohol.*

Population Source: Saskatchewan Bureau of Statistics
- Saskatchewan Quarterly Population as of January 1.

Appendix E

Saskatchewan Liquor and Gaming Licensing Commission

The Saskatchewan Liquor and Gaming Licensing Commission (Commission) is an independent body, which reviews:

- decisions of the Saskatchewan Liquor and Gaming Authority (SLGA) with respect to liquor and gaming licensing, registration, and cancellation/suspension matters within SLGA's jurisdiction, including its jurisdiction over SaskGaming and Saskatchewan Indian Gaming Authority (SIGA) casinos, horse racing, off reserve bingo, and all provincial liquor permittees;
- decisions of SIGA and SaskGaming respecting involuntary casino bans of patrons from casinos operated under their respective jurisdictions;
- decisions of Indigenous Gaming Regulators (IGR) respecting on reserve gaming such as bingo.

The Commission's primary role is serving as an independent and fair quasi-judicial appellate body mandated to ensure proper application of the legislation and regulations governing the liquor, gaming and horse racing industries, over which it has jurisdiction, while ensuring the fairness and integrity of those industries. Any licensed party who disagrees with a decision of SLGA, SIGA, SaskGaming or IGR that is within the Commission's jurisdiction has the right to apply to the Commission for a review. Except in unusual circumstances, the Commission stays the decision in issue pending the outcome of the Commission's review. Similarly, any individual (such as a casino patron) who has been involuntarily banned from a casino may request a review before the Commission.

During 2014-15, the Commission scheduled and heard 16 hearings to address the same number of requests for review of various decisions made by SLGA, SaskGaming and SIGA. In order to accommodate the public, hearings are scheduled whenever possible at the nearest major centre in the province to the cause of action. Seven hearings were held in Regina and nine hearings were held in Saskatoon.

The applications have included reviews of SLGA's decisions to suspend liquor permits of various establishments, to cancel certificate of registrations, to review involuntary casino bans handed down by SaskGaming and SIGA and to review suspensions of licenses relating to issues in contravention of the Rules of Racing in the horse racing industry. As well, the Commission reviews objections by the public to the granting of permits. The Commission may decline to hear objections to liquor applications that are competition based, frivolous or vexatious. During 2014-15, there were two objection hearings held.

Of the 16 hearings held during the past fiscal year, seven were liquor related, comprised of five assessments of penalties and suspensions and two objection hearings, two were gaming related comprised of cancellation and suspension of certificates of registration, six hearing reviews were in regard to casino admission bans, four of those sanctions being enforced by the SaskGaming and two sanctions by SIGA. There was one hearing held with respect to horse racing, involving violation of the horse racing rules.

The Commission provides written reasons for its review on the merits of all matters it hears. These written decisions are a matter of public record, and are maintained in the office of the Commission Registrar.

The Commission members as of March 31, 2015:

Elaine R. Morgan, Chairperson, Gainsborough
Rod Sexsmith, Vice Chairperson, Prince Albert
Sid Katzman, Secretary, Saskatoon
Theodore (Ted) Gleim, Member, Eastend
Cindy Gross, Member, Swift Current
Bernie Ness, Member, Saskatoon

The Commission also has a part-time Registrar.

Since 1997, the Commission has initiated procedural changes and is constantly developing its own policies to continue to ensure equitable treatment of all parties appearing before it. The Commission also makes written recommendations to SLGA regarding any significant regulatory issues that come to its attention through contact with the industries within its jurisdiction. It also continues to stay up-to-date in the changing environment of administrative law and the industries it regulates through its own research.

Appendix F

2014-15 Results at a Glance

Financial	
SLGA comprehensive income	\$488.0M
SIGA comprehensive income	\$82.8M
Total liquor sales	\$622.4M
Liquor net income	\$244.2M
VLT net income	\$179.6M
VLT site commission	\$36.9M
Franchise commission	\$11.9M
Off-sale permittee beer discount	\$11.7M
Structure and Organization	
Number of SLGA employees	944
Number of retail liquor stores	75
Number of communities with SLGA stores	60
Number of off-sale outlets	449
Number of liquor franchises	187
Number of full-line private stores	3
Total number of liquor outlets	714
Regular listed products available to SLGA liquor stores, franchises, private stores	2,627
Additional products sold through franchises, private stores	2,327
Total retail products available	4,954
Number of casinos	8
Number of slot machines in SIGA casinos	1,995
Number of slot machines in SaskGaming casinos	1,111
Number of VLTs	3,991
Number of communities with VLTs	307
Number of VLT sites	620
Compliance and Licensing	
Number of commercial liquor permittees	1,914
Number of special occasion permits issued	15,248
Number of sanctions (liquor, gaming and horse racing)	264
Number of registered gaming employees	3,369
Number of registered gaming suppliers	94
Charitable Gaming and Horse Racing	
Total number of bingo, raffle, breakopen, charitable gaming event, Texas Hold'em and Monte Carlo licences	4,186
Number of bingo halls	10
Total gross bingo sales	\$19.0M
Total gross raffle sales	\$57.4M
Total gross breakopen sales	\$2.9M
Total gross charitable gaming event sales	\$39.6M
Total gross Texas Hold'em and Monte Carlo event sales	\$0.3M
Total net proceeds to charity (bingo, raffle, Texas Hold'em and Monte Carlo)	\$29.1M
Total grants paid to charitable gaming licensees	\$7.8M
Total provincial handle (all horse racing wagers)	\$8.1M

All data as of March 31, 2015





